G. R. S. IX-5]

Previous references.

File No. 97-15

Serial Nos.

191 7.

(~~Part B~~)
L. B

Later references.

Provisional

1918/37

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1

Part B for. Dec 15 March.

SUBJECT.

Comptroller's note on the audit of the accounts of the several municipalities in the State for 1913-14.

Recorded

V/S.
3.10.17.

W D 88—GPB—50,000—24-7-16

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No.

FILE HEADING.

From

No.	Dated	Received

Diary No.	L.F. Nos 997-15	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

Comptroller's Note on the audit of the accounts of the several municipalities in the State for 1913—14.

NOTES AND ORDERS.

P.J.O

GPB—20,000—8-8-14

G.R.S. 13]

Routine Notes.

Asst Sec. B^r iv
(municipalities)

[To be used only for notes, requisitions, etc., not intended for permanent record.]

17-Mis 999-15

about municipalities & Dt funds

1. I have seen a Comptroller's number of cases under note the new

2. cannot a note be prepared showing the general irregularities found in such cases ie whether the irregularities are such as are due to failure to observe the existing instructions or whether the suggestions of the auditors go beyond them?

3. I would also suggest the drafting of a general

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

[illegible]PB—50,000—29-6-14

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Circular re
the inspection of
municipal &
dt fund accounts
& municipalities
by Dist Cmrs
during their tours

Re forms of
inspection reports
may be laid down

4. Cannot the
Comptroller's
form for audit
note be laid down
~~XXXXX~~ as in the
case of Treasurers
Insp^n reports?

5. The above may be
considered leisurely
& Re audit-let me
see me in person
at any convenient time
But I think the time

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G PB—50,000—29-6-14

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

action to be taken
before the end of
the month the
matter is important
6. What action is
being at present
taken by Govt
may be ascertained
from the Ld Tr
Dept in. The
Bengal Dc's
Wire

WT
30/11/15

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—29-6-14

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

7 Mr KV Krishnaswamy Aiyar Sitaramma may note accompanies & send with them in 2 days.
KS
9/11

R 4.15 pm
JHC
3.11.15

8 obtained instructions from the Asst Secretary in Lerkara
KS
3/11/15

X 9. Three lists A, B and C showing (1) the chief irregularities pointed out in the audit notes, (2) the out of the way Remarks and suggestions made therein and (3) the more important matters printed along with them are subd for perusal.

7

10. As regards the C list the General Branch has already taken action

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—29-6-14

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

W

and G.I. no 7/11/21 G.P 8-14-24 of 7-12-15 issued recently has restricted the printing of the audit notes only to those which are of general applicability and importance

Y

11. List B should the out of the way suggestions and it may if approved be sent to the comptroller for attention. He may be requested to refrain from including such remarks regarding matters affecting the administration of the funds in the audit notes which should contain the results of the examin of the accounts. He may also be instructed

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GPB—50,000—5-8-15

G.R.S. 131

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

to bring such matters to the notice of Govt separately for due consideration.

12. In this connection it is stated that para 14 of the Local Audit Manual (Comptroller's office manual) requires that a copy of each audit note should be submitted. It is a point for consideration as to whether the Comptroller may not in future be required to submit the Consolidated reports on the audit of the Municipal and Local Bds every year in lieu of notes on the audit of each Local Body. The reports may deal with important irregularities and contain suggestions re Administrative matters referred in para 11 above.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—5-8-15

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

If this suggestion is approved a draft on the lines referred to in paras 11 and 12 will be submitted.

X

13. As regards the A list it is submitted that the irregularities are all due to non-observance of the Court rules and the standing orders. ~~[illegible]~~ The detailed examination of the accounts by the Audit Committees and the Finance Committees of the Dt Bds more regularly and systematically will no doubt go a great way in the prevention of the irregularities and separate action is being taken to prescribe a set of questions to be answered by the committees.

N.B.—Should routine notes be written on small slips, the notes must be copied or slips pasted on this form.

GPB—50,000—5-8-1

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

to embody the results of their audit of the Annual Accounts. The Comptroller has reported that he is preparing a similar set of questions for the audit of the D.T. Accounts.

14. In this connection it is hoped that the more examination of the accounts by the Committee and the Local Audit Staff of the Comptroller's Office will not mitigate the number of irregularities in keeping the accounts. In many cases the objections of the auditors have remained unanswered for long periods and it appears very necessary

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GPB—50,000—5-8-15

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

to create some effective arrangement in order to ensure that the irregularities brought out are promptly remedied and do not recur.

15. Such an arrangement can be established only by requiring inspections of the offices of the Local Bodies by the Presidents at least twice every year and placing the inspection reports before the Local Bodies concerned for information and consideration. A detailed examination of every account maintained will not be necessary on the part of these officers as the Commissioners may be expected to do this.

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GPB—50,000—5-8-15

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

S

The Efficiency and Training Branch has been collecting material for prescribing forms of General Inspection Reports and has called for the necessary particulars from the Heads of Depts and the Dy Comrs. After all the replies are received forms of General Inspection Reports will be prepared for the instruction of Central and Local Board officers in consultation with the Efficiency and Training Branch.

16. In this connection, it is held that in order to see that assessment lists, bakipattis and other accounts are maintained correctly, the examination of union accounts by the

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GPB—50,000—5-8-15

G.R.S. 13]

Routine Notes.

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Auditors twice a year appears to be necessary. The Local Audit Staff can not devote to the examn of the accounts of the Unions which time, and the large no of irregularities in the maintenance of the Pound Registers, Receipts and other accounts point to the desirability of a biennial inspection of the Cattle Pound accounts on the spot by the Auditors during their 17th tour. These inspection reports may be reviewed by the Asst comrs and Deputy comrs. and a page devoted to this in the Mins and D.F. Reports and the chief irregularities noticed and the actions taken to prevent their recurrence described in brief therein.

18 Sub fr auditors

(Sd) 13/12/15

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—5-8-15

A

Statement A. showing the important objections and irregularities referred to in the Notes on the Local Audit of the Mund and District Fund Accounts for 1913-14

Audit	By Mund members not conducted regularly.
Audit notes.	Not promptly and fully disposed of
Agreements	on stamped paper not taken from contractors
Account	(a) Alterations made in figures with a view to commit fraud not examined by responsible Officers
	(b) Difference of credits and expenditure between Treasury accounts and Mund and D.B. accounts not explained, investigated and reconciled.
Budget provision	Exceeded under major heads without proper sanction to reappropriations or additional grants

Cash book (a) Not completely and correctly written up day by day.

(b) Not signed by the Vice-Presdt at the end of every day.

(c) Collections not entered in the cash or day book on the day on which the collections are made

Cheques. (a) List of cheques issued not written up simultaneously with their issue

(b) Cheques issued not included in the accounts.

Contingent Register: Allotment of budget grant for each item of contingent charge not noted in the Register.

Classification of receipts and expenditure not properly made

Collections (a) Not fully remitted

(b) Not remitted to the Treasury at prescribed intervals.

Corrections — Not attested by the proper officer or a responsible official

Contributions — due from other Departments not recovered by sending bills to the Departments concerned

Deposits — (a) Items of Mint and D. F. deposits included under Revenue deposits
(b) Deposits entered in the name of the Vice President instead of that of the party tendering the amount

D. B Statements — Treasury certificates not signed by the Treasury Officer

Defalcations — not reported to Govt

Errors — Errors in credits not adjusted promptly by communication with the Departmental Officers

Establishments
(a) Entertained or continued without proper sanction
(b) Clerks allowed to work in one Department or Section of establishment while their names are borne on different departments or sections
(c) Security not taken from officials dealing in cash
(d) Charge of collections and compilation of accounts entrusted to the same individuals
(e) Life Insurance not effected

Expenditure

(a) List of payments not signed by the President or Vice-President

(b) Double payments made for single claims

(c) Retrenchments ordered in audit notes or objection Statements not effected

(d) Want of payees' receipts and bills

(e) Money kept back without for a very long time being Refunded to the Treasury or paid to the parties concerned

Imprest

(a) Payments made out of imprests finally charged off in the accounts before cheques are issued for recoupment of the imprest

(b) Delay in submission of bills and vouchers and in issue of cheques for recoupment of imprest

(c) Utilisation of imprest for expenditure unconnected with Municipal and Local Fund Administration

Musafirkhana Visitors' books not examined by any responsible officer

Ochri

(a) Duty not levied at the prescribed rate

(b) Composition of payment of ochri for a fixed sum instead of levying the duty on the quantity of imports at the prescribed rate (Hole Narsipur, Mandya, Belur, Nelamangala, Periapatna

(c) Duplicate copies of invoices not produced

(d) Invoices not certified by the merchants as true copies of the originals

(e) Invoices not attested by the Audit officers as having been compared with the originals and disposed of by recovery of the proper duty

(f) Goods allowed to be taken to shops by importers before the duty is recovered

(g) Suspicious alterations in counterfoils of receipts not attested or examined by responsible officers.

Pass Book — Written up by Local Fund clerk instead of by the Treasury accountant

Public Works

(a) Measurements taken in the last month of the year and payments overcrowded at the end of the year

(b) certificate of number of pages contained not noted on measurement books

(c) Entries in measurement books not crossed off after preparation of bills

(d) Checking officer not certifying to the measurements in the measurement book

(e) Not attesting alterations in measurement books

(f) ~~Extracts~~ copies of extracts of measurement books accepted ~~for~~ bills passing bills for payment instead of examining the entries in the original measurement books

(g) Want of completion bills

(h) Stock certificate not recorded in bills for tools purchased

(i) Stock account not maintained properly

(j) Actual stock not agreeing with the booked balance

Registers

(a) Description of cattle impounded not clearly entered in pound Register to verify whether the proper amount of fine was levied

(b) Prescribed registers not properly maintained

(c) Prescribed registers and books lost or not traceable

(d) Stock register, Kamani Register etc not signed by the Vice-President

(e) Site register not maintained to show the progress of collection on account of value of sites sold and to see whether the sites have been assessed to the taxes due thereon.

Stamped signature used in registers when the responsible officer should have attested the entries with his own hand after duly examining them

Taxes

(a) Govt buildings used for residential purposes not taxed

(b) Vacant sites not taxed

(c) Collection of taxes (assessed) in Regn Wards not made in two half yearly instalments in advance in July and January every year

(d) Revision of assessment on houses, shops etc not ~~fixed~~ made periodically with reference to their current rating

(e) Demand notices and coercive processes not issued for overdue demands

9/12/15

B

Statement showing the out-of-way remarks and suggestions made by the comptroller in his Local Audit notes of Mund and Dt Fund Accounts for 1913-14

Clotepet	The collections during the last two or three years have been very slack. A systematic and thorough revision of taxes should be conducted at a very early date
Clotepet	Both the Daftadar and the Chambhog have multifarious other works and can not devote their undivided attention to octroi collection. It is very necessary that a whole time staff consisting of a Jamadar on Rs 8 at least and a peon on Rs 6 should be appointed to secure to the Municipality an adequate income

Kolar — There is no reason why orders of the President should not be obtained by the Vice-President on memos directly submitted instead of by formal communications.

Dr [illegible] — It is not clear why the Head office presided over by the non-official Vice President should not be sufficiently strengthened so as to cope with all the work of the Municipality.

Bagepalli — The Vice President would do well to examine the receipts granted to the tax payers with the entries in the Kirdi in the case of corrections whereby the amount originally entered is reduced.

Imm Kur — Value of shortage of Road metal should be recovered from the Survey Instructor.

Do — There was no improvement in the matter of avoiding unnecessary correspondence between the President and the Vice President and the duplication of work in maintaining 2 sets of Registers in the two offices

Tiptur — The suggestion offered during the last audit regarding the establishment of an Ookad at the Railway Station not yet received any consideration at the hands of the Municipal Council.

Gubbi — The Vice President would do well to have the original books of the tax payers examined to see whether all the collections made are promptly brought to account

Kaithal — The Vice President would do well to enquire into the circumstances by examining the patwaris of the taxpayers

Jatkad — There was no improvement since the last audit in regard to the collection of the heavy arrears.

T. Karnipur — It is quite necessary that the Tehsil Local Fund clerk whose duties are heavy should be relieved of other collection work.

[illegible] — very effective steps should immediately be taken for the collection of all arrears by issuing notices invariably in all cases and by taking further coercive measures

Hissar — The arrears are equal to years demand emergency steps are necessary for their recovery.

Saligram — The arrears were very heavy and the collections were very unsatisfactory and slack

Mandya — The collection of mohatarfa has not been satisfactory

Maddur — The collection work of mohatarfa is not satisfactory and the arrears are increasing. Mohatarfa collection should be brought under better control and the issue of notices and warrants periodically examined by the Vice Presidents

Gundlupet — The collection work is not satisfactory.

Yelandur — Collection of mohatarfa is not evidently satisfactory. Very early steps should be taken for the recovery of these heavy arrears.

Hole-Narshipur. Early steps should be taken to recover the arrears some of which are outstanding for a long time. Special attention is necessary in respect of the recovery of Shop taxe

Arkalgud. Export pass fee was commenced to be levied from 1st July 1914.

N.B. This has not come to Govt for sanction.

Do G.O of the 20th January 1915 re Recovery of taxes in two instalments was not given effect to even in 1913-14.

N.B. This is a non Regn Municipality.

Do Plans are not insisted on to accompany the applications for building licenses. The result is that encroachment cannot be guarded against and constructions or improvements of buildings according to sanitary principles can not be enforced.

Belur — The council would do well to see if the revenue under this head (octroi) can not be increased by proper supervision of the collections at the Bandy. Two or two Municipal councillors may by turns supervise these collections.

Channarayapatna — The long delay of seven months in the service of notices is highly objectionable.

Arsikere Taluk — 6 of 6 permanent occupants in the Mussafirkhana fees were recovered from me at less than the usual rate and rent not recovered from others.

N. Bte. This is founded on the officer's personal knowledge and might have been brought to the notice of the Secretary.

Sakleshpur — The Municipal council will do well to investigate why this is so (low collections under octroi) and to exercise proper supervision over the collection.

Kadur — An export pass may be issued on payment of a small fee of one anna per cart or bundle

Birur — Early steps should be taken for recovering the arrears by having recourse to coercive measures

Hosdurga — There is no establishment to watch the importation of toddy into the town. The Municipal Amildar who has apparently not much work to do may be asked to look after this work

Davangere — It is necessary that all owners of carts must be asked to produce their carts at the Mandi office for being numbered. The revenue under this head is capable of expansion

Do — The Salary Inspector who has been entrusted with the duty of serving notices is apparently quite unable to attend to this important work

Do — Early action may be taken regarding the appointment of one or two whole time bill collectors for the collection of mohatarfa taxes.

N 9/12/45

Statement showing the obviously unnecessary matter printed with the Notes on the Local Audit of the Mint and D.T. Accounts for 1913-14

I. Statement at the end of the note on Bangalore D.T. Accts

II Mohatarfa accounts and D.C.B. figures in the several audit notes

III. Para 4 of Kamkanhalli Mint Audit note

IV Statement at the end of the Tumkur Mint Audit Notes of

V. Hole Narsipur, Arkalgud Belur and Sakleshpur.

9/12/15

12

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Most of the objections in the audit notes relate to the failure to observe existing orders, and if the Finance Committee and the Municipal Committees devote a little more care and attention much of the notes will be unnecessary. As the Comptroller has already suggested a set of questions in connection with the work of the Committees and has promised a Similar set in connection with the Trust Funds accounts, no action is necessary.

As regards the Statements B & C, the unimportant matters referred to in C is so small that no notice is necessary. As an

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—5-8-15

G.R.S. 13]

mis 997-16

13

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

order has already been issued that only notes of general importance should be printed in future, the audit notes are not likely to affect in future any matters contained in B & C. As regards the points in B list, it may not be desirable to completely stifle such criticisms and remarks on the part of the audit officers. They may be of some assistance, but these remarks may be submitted separately for the consideration of Govt.

Inspection by D[ist] Comm[r] and Asst. Comm[r] seems absolutely necessary and a circular may, if approved, be issued, minuted likely after the form is prescribed in consultation with E & A Branch, the receipt-slip from may be withdrawn

SB
6.1.16

Sd/

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB.—50,000—5-8-15

mes 99715

14

G.R.S. 131

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Yes! the papers are duly for the 2nd meeting.
Inspection
At present the audit hts are dealt with in a routine way & no real improvement will be effected until the local auditors are made to do half yearly inspections according to a printed list of questions. The Comptroller has framed a set of such questions & one is about to be remitted to municipalities

2nd Mch 7/4/16

A about Dt Funds

Ans 7/4/16

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

GPB—50,000—5-8-15

A good idea

8/4/16

8/4/16

8/4/16

D 2885 LB. 97-15-1

SUBJECT No. 209.

Forms of inspection reports in matters connected with Local Boards.

Mr. B. V. Narayana Rao, Hosdurga taluk.

Summary of discussion.—Forms of inspection reports may be prescribed for reporting upon matters connected with Local Boards.

Reply of Government.—Noted for consideration.

The representation appears to be rather vague.

It is understood that the Efficiency Audit Branch is collecting information with a view to prescribe forms for the inspection of offices and the Comptroller has promised to forward a memo of suggestions for audit and a set of questions applicable to the accounts of District Boards.

Orders are solicited if this may be forwarded to the Eff. branch to state if any suggestions have been received from the several Presidents re the forms of inspection reports connected with matters relating to Local Boards.

In the linked file

Flag M

K.P.
14.2.16

Resubmitted

15/2 Madavarao's return

Resubmitted

K.P.
26/2/16

21/2

G. R. S. 12]

2885 & nos 997-05

General and Revenue Secretariat.

L&S File No. 97 of 1915

Serial No.

For favour of intimating any sup^n available.

Br VIII

L&S

For Please put up files relating to inspn of Offices of Presidents city Municipalities. Also copy of manual of order

PR

Invite invite a copy of G.O. No G 1087 0-109/14/G A-43-11-1 & 1074/1915 Re. inspection of offices. The files G + G. 57 & 57A Re questions for the inspection of the Guntur and Bangalore City Municipal Offices, respectively, have been referred to Br W on 28-1-16 and 26-2-16.

hw 7/8/16

A just received back

As regards accdt it is stated also that the Comptr has promised to forward suggestions.

The files refd to in last paragraph relate to the inspection of Mul Offices

Hitherto no questions on Local Board work were given in the form of inspn report prescribed for Dt & Taluk offices Action has been taken to make the forms complete in this respect

Mul 973

Mul 6/8/16

NOTE—Contn. sheet

Br VIII

GVB—70,000—17-12-15

2115

General and Revenue Secretariat. | Ls File No. 97 of 191 5-16

Serial No.	
	Submitted. May this be filed ?
	K.P.
	9/7/16 Yes. a/c note in the Dasara Bill
	Br 10/3 Br 11/3
	To Dasara Section.
	Noted & returned to Br. IV
	S (G3) 13/3
	B

NOTE—Contn. sheet.

GPB—20,000—30-6-15

Note on the audit of the Municipal Accounts of the President's office, Kadur.

Name of Senior Auditor—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor—Mr. T.S. Somanatha Rao.

Date of Commencement of audit—30th December 1914.

Date of completion of audit—16th January 1915.

Period occupied (excepting) holidays, 13 days in current audit against last audit, 17 days.

Names of President and Vice-President who held office during the period of audit:—

Period.	Name of Vice-President.
1-7-13 to 20-12-13	K. Krishna Iyengar, Esq.
21-12-13 to 28-2-14	B. Ramaswamiah, Esq. B.A., B.L.
1-3-14 to 30-6-14	K. Krishna Iyer, Esq.
Chikmagalur Sub-Division.	
1-7-13 to 8-2-14	M. Krishnaswamy Iyengar, Esq., B.A.
9-2-14 to 30-6-14	B. T. Kesava Iyengar, Esq., B.A.

The last audit ended on 13th February 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

PART I.—*Action taken on the last audit.*

1. The audit note and objection statements relating to the audit of accounts of 1912-13 were returned with replies to the Comptroller with the President's letter No. 512 (A), dated 25th August 1914.

2. Such of the items in the objection statements as yet remain unanswered or answered only in part have been embodied in the objection statement attached to the note.

3. All the items objected to for recovery except the marginally noted items were recovered in 1913-14.

Page No.	1.	Rs. 1	15 0
,,	12.	3	0 0
,,	25.	21	0 0

4. The reappropriation register said to have been opened from 1913-14 was not maintained during the year.

5. No monthly list of works sanctioned was maintained.

PART II.—*Result of current audit.*

1. The books, etc., examined continued to be the same as in previous years.

2. The defects, etc., noticed during audit are embodied in the objection statements attached to the note.

3. The most important of them are: —

(*a*) *Establishment.*—A sum of Rs. 10-15-0 was paid from Birur Municipal funds to the midwife of Birur for the period she was serving in Koppa Taluk under the District Board. (*Vide* objection item No. 14.)

(*b*) Sanction of the council for the entertainment of one attender and one toti for the Isolation Hospital in Chikmagalur Municipality for the period of one month and 16 days at Rs. 3 per mensem was not obtained.

4. *Public works charges.*—The sanctioned estimates were not available in respect of most of the works executed during the year under audit. Measurement books of all the Municipalities except Mudgere and Koppa were not also produced. A sum of Rs. 1-1-2 overpaid in Mudgere Municipality was objected to for recovery. (*Vide* objection item No. 42.)

In Koppa Municipality, the work of clearing lantana was done by the conservancy sweepers of the Municipality and payment of extra wages were made on nominal rolls. No special sanction to give them remuneration in addition to their pay was forthcoming.

Completion bills also were wanting in some cases.

No work register was maintained nor was the monthly list of sanctions available for check.

The contributions paid on account of construction and repairs to Local Fund dispensaries and hospitals by the Tarikere, Koppa and Kadur Municipalities exceeded the provisions in the budget.

5. *Deposit.*—The deposit register in the office of the President of the Birur and Tarikere Municipalities was not completely written up to date.

The closing balance of deposits in respect of the other Municipalities agreed with the entry in the deposit register, except in the case of Chikmagalur Municipality where a difference of Re. 0-1-0 which appeared under suspense head on the debit side in the accounts for May 1914 was wrongly included under deposit in the account of the subsequent month, and thus the deposit balance was erroneously reduced by this amount.

7. Payees' receipts to the extent of Rs. 946-14-2 were wanting.

Asst. Comptroller
and Officer in charge of
Local Audit Department.

Note on the Audit of the Chikmagalur Town Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Row, B.A.

Date of Commencement of Audit.—16th January 1915.

Date of Completion of Audit.—3rd February 1915.

Period occupied (excepting holidays)—15 days in current audit against last audit 23 days.

Period.	Name of Vice-President.
1-7-1913. to 30-6-1914.	C. Vasudeva Rao, Esq.

The last audit ended on 13th March 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.

1. Out of the Imprest of Rs. 250 sanctioned for this Municipality, the cash on hand on 18th January 1915 was Re. 1-3-3 and agreed with the balance shown in the Imprest book.

2. The difference of Rs. 248-12-9 was the expenditure incurred from September 1914 to January 1915 as detailed below, but not recouped.

(1) Items not billed for :—

	Rs.	a.	p.
September 1914 ...	10	15	0
October „ ...	7	13	0
November „ ...	14	1	0
December „ ...	20	0	0
January 1915 ...	46	4	5

(2) Items for which bills have been submitted to President for recoupment but pending issue of cheques :—

	Rs.	a.	p.
for October 1914 ...	46	12	2
„ November „ ...	71	1	4
„ December „ ...	31	3	10
Total ...	218	12	9

PART I.—Action taken on the last Audit.

. The Audit Note and Objection statement sent to the President with Comptroller's Letter No. 904, dated 21st April 1914, remained in the Vice-President's Office undisposed of till the date of current audit.

2. Such of the items that remained undisposed of have been brought on the objection statement appended to the note.

3. The amounts objected to for recovery in 1910-11 and 1911-12 noted below do not appear to have been recovered during 1913-14.

		Rs.	a.	p.
For 1910-11.	Towards chattram rent (2-12-0—1-8-2 ...	1	8	10
	Towards cost of providing taps to the private houses ...	3	2	6
„ 1911-12.	Amount objected to for recovery under chattram rent .	2	11	0

4. The Mohatarfa balance at the end of 1912-13 has not been increased by Rs. 13-1-0 and decreased by Rs. 7-4-0 as pointed out in the audit of accounts for 1910-11 and again suggested in page 4 of audit note for 1912-13.

5. The following items of the previous year's objections still remain undisposed and early action in the matter is desirable.

I. The omission of demand in the following instances has not been rectified.

1910-11	Rs.	a.	p.
Narasinga Row, chattram rent	3	9	0
Kegatai Mohatarfa ..	8	0	0
Mahamed Sab ...	1	0	0
Narasimha Chetty, water-tax	0	8	0
Total ...	13	1	0

II. Amounts due on account of pipe connection in the following cases have not been recovered:—

	Date of debit	Amount Rs	a.	p.
(5) Cemetery compound ...	25-11-07	150	11	5

(7) P. Vasudeva Row. December 1907. Matter under investigation.

III. The Imperial Post Office, and the Lady Apothecary's quarters partly used for residential purposes and the Wesleyan Mission quarters used solely for residential purposes have not been assessed.

PART II.—Result of Current Audit.

1. The several objections noticed in current audit are embodied in the objection statements attached to the note. The important points are dealt with hereunder.

2. *Pounds.*—(1) The accounts of Hiremagalur pound having been stated to have been filed in the Court of the Treasury Assistant and 1st Class Magistrate, Chikmagalur, in connection with a rioting case, were not produced for audit.

(2) The orders of the Vice-President for the release of cattle in the Chikmagalur pound after the lapse of one week from the date of impounding were not produced in some cases.

Vide objection item No.]

3. *Octroi.*—(1) Some improvement has been effected in regard to the stamping of cloth which is now done by an octroi official instead of by the merchants under the close supervision of the Sanitary Inspector. But the system of allowing the removal of goods deposited in the bonded warehouse on payment of duty or for export leaves much to be desired.

In respect of articles received through the out-agency and deposited in the Warehouse to whom a receipt is granted by the Octroi department, the receipt granted is not taken back before the goods are delivered, nor any reference to it is made in the gate pass sent by the out-agency. This defect should be rectified at once. The Javali register maintained in manuscript and the remittance register in the petty cash book form should be replaced by the printed registers, *viz.*, the Bonded Warehouse register and the Octroi Cash Book Forms Nos. 46A and 33. Municipal Account Manual with, if necessary, suitable charges in the headings.

(2) The short recovery of pies 2 noticed in the Octroi accounts was recovered and credited on 22nd January 1915 at the time of audit.

4. *Mohatarfa.*—(1) The demand, collection and balance under mohatarfa assessed taxes, etc., during the year under audit were as under:—

Particulars	Arrears	Demand including excess collection, etc.	Total demand including arrears	Collection	Balance
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Mohatarfa and assessed taxes.	2,275 12 10	7,821 4 0	10,097 0 10	7,113 2 2	2,983 14 8
Water tax ...	89 12 9	411 8 6	500 5 3	296 4 9	204 0 6
Chattram rent ..	21 0 0	114 0 0	139 0 0	124 0 0	14 0 0
Mutton and beef stall rent.	43 10 6	79 0 0	122 10 6	62 10 6	60 0 0
Notice fee, interest, etc.	.....	59 7 3	59 7 3	59 7 3	.....
Total ...	2,432 4 1	8,515 3 9	10,947 7 10	7,655 8 8	3,291 15 2

1. (*a*) The khate for 1914-15 had not been written up till April 1915 and in the khiradee, no reference to the khate number or page or even to the receipt given to the party, was noted.

(*b*) In the Bakipatti prepared for 30th June 1914 the totals had not been entered and agreed with the figures in the monthly demand, collection and balance.

(2) The Municipal taxes recoverable from several departments on Government buildings and amounting to Rs. 117-11-7 remained unadjusted.

Vide objection item No. 10.

(3) Excess collections to the extent of Rs. 5 were not noted as such in the khate.

Vide objection item No. 5.

(4) There were also cases wherein the collections as per khiradee amounting to Rs. 20 were not posted into the khate and many items outstanding in the khate were not brought on the Bakipatti for the year 1913-14.

Vide objection item Nos. 4 and 6.

(5) No Sarkharkatte was prepared to verify the total Kulwar balance in the Bakipatti.

Vide objection item No. 7.

(6) The outstanding balances for each Kula were not struck in many cases and in some others they were incorrectly struck.

(1) The following are some of the instances :—

Khate No.	Amount incorrectly noted	Correct amount
	Rs. a. p.	Rs. a. p.
14	2 0 0	3 0 0
115	.....	1 0 0
529	1 0 0	.....
535	.....	2 0 0
540	.....	2 0 0

(2) Balances not struck khate Nos. 359, 378, 385, 384, 387, 390, 403, 404 405 and 408, etc.,

7. *Notice register.*—One hundred and thirty-seven notices were stated to have been issued during the year but it was not possible to make out how many of them were served on the parties as necessary information was not given in the register nor the original ones were available for check.

8. *Interest.*—Cases wherein failure to recover interest on arrears of house tax was noticed have been brought in the objection statement as item No. 15 and these amount to Rs. 16-1-10.

9. *Miscellaneous demand.*—The several items of miscellaneous demands were :—

(1) Chattram rent.
(2) Mutton stall rent.
(3) Market collections.
(4) Slaughterhouse fees.
(5) Sale of manure.
(6) Sale of trees, etc.

(1) No steps were taken for recovering the sum of Rs. 24 outstanding against Lingagowda as chattram rent. Khate No. 42—Rs. 24.

(2) A sum of Rs. 4 was outstanding up to end of March 1915 as arrears of mutton stall rent for 1913-14.

(3) Under the head "Manure" a sum of Rs. 16 was outstanding for several years, from 1895-96. If the sum is not

really recoverable it should be written off under proper sanction.

A miscellaneous demand register in form 13 or 48 should be immediately opened, as provided in Rules 237-38, Municipal Account Manual, and an effective check in *re* the realisations of the several items of miscellaneous revenue secured.

10. *Deposit.*—(1) An item of Rs. 19-11-0, out of Rs. 27 deposited on 6-7-06 being the sale proceeds of Gubbi Fakrudin's house was adjusted in the Vice-President's office by debit to deposit and credit to mohatarfa. On the President calling for explanation in May 1912 the debits to deposits was cancelled by the Vice-President but the credit to the revenue head was not likewise written back.

Again, in December 1913, a second adjustment was made in the Vice-President's office and thus the ultimate credit of Rs. 39-6-0 (double of Rs. 19-11-0) to the revenue head against one debit of Rs. 19-11-0 to deposit was afforded and this has to be rectified.

		Rs.	a.	p.
House tax ...	...	6	8	0
Shop tax ...	..	8	0	0
Notice and interest	...	5	3	0
Total	...	19	11	0

(2) The adjustment of Rs. 25-15-2, in the Vice-President's office on 19-6-14 to the debit of deposit (No. 42 for Rs. 35) has not been included in the accounts submitted to the Comptroller and consequently there is a difference by this amount in the closing balance as per Vice-President's account and the figures in the President's office Deposit Register. *Vide* objection item No. 14. These may now be rectified.

11. In the course of examining the Deposit Register and Municipal proceedings book it was found that there were several instances of sites having been granted to private parties either in public auction or for upset price, but there was no systematic record kept of the disposal of sites or the recoveries of sale price effected, and it was also not clear whether all the sites thus disposed of were brought on the assessment register. This serious omission should be supplied.

The following are certain instances :—

(*a*) Site to one Rama at upset price—*Vide* Municipal Council Resolution V, dated 23rd December 1914.

(*b*) Site to one Rama as per Resolution V and VI dated 30th November 1914.

(*c*) Site to one Rama by Government—*Vide* Resolution dated 1st July 1914.

(*d*) Site to one Rama at upset price *Vide* Municipal Council, dated 30th May 1914.

(*e*) Site one to mission authority, dated 27th February 1915, (390×50 yards).

12. Bill collector S. V. Dasappa who was appointed in June 1914 has not furnished security as required in Government Order No. 2311-9—Ml. 4-10-5, dated 8th September 1910.

13. *General Remarks.*—The method of preparing the monthly accounts in the Town Municipal office was very defective. No intimation of the alterations made in the monthly accounts as prepared and submitted by the Vice-President either in the Deputy Commissioner's office or by the Comptroller was stated to have been sent to the Vice-President.

Cheques drawn in payment of claims submitted by the Vice-President were often delivered to parties directly in the Deputy Commissioner's office, and the Vice-President was kept unaware of such payments till month's after. A payment of Rs. 100-15-5 paid to a contractor Mahomed Sadah as per cheque No. 35-10, dated 24—26th November 1914 in the month of November 1914 directly by the Local Fund Branch of the Deputy Commissioner's office was intimated to the Vice-President in February 1915 as per yadi No. 154, dated 3rd February 1915. Under this arrangement how can the Municipal office be in possession of accurate information for the preparation of monthly accounts? The yadi above referred to prepared on 24—26th November 1914 was sent to the Municipal office on 6th January 1915 in which it was erroneously stated that the cheque in question was sent to the Vice-Presidet separately. The fact that the cheque had already been delivered to the contractor by the Deputy Commissioner's office in November 1914 was finally intimated to the Vice-President in February 1915.

Then again cheques for Rs. 178-12-0 on account of cart-hire and Rs. 78-2-0 for lighting charges drawn in payment of a contingent bill for Rs. 256-14-0 submitted by the Vice-President on 12th October 1914 were delivered to the contractor directly in the Local Fund Branch of the Deputy Commissioner's office but the Vice-President was however intimated of the fact in the same month. This procedure which is irregular should be at once changed.

It should be observed as an invariable rule that payments whether in cash or by

cheque should be made by the Vice-President, that all cheques as well as other money received for payment to parties in satisfaction of claims against the Municipality should be entered in a petty cash book and that the payee's receipt obtained by him in support of all such payments made in a month should be regularly sent to the Deputy Commissioner's office with the monthly accounts and that all amounts remaining on hand should be examined and verified with the book balance.

14. It was also found that some items of mohatarfa collections received the the Municipal office and credited in the petty cash book were paid over to the Shanbhog for remittance to treasury being made by him through his khiradee. This procedure is not quite safe. Any amount that is received in the Municipal Office should not be given back to any municipal servant but should at once be credited in the petty cash book and remitted to treasury directly from the Municipal office, the necessary credit being also taken in the General Cash Book. To secure an effective check against money received in the Municipal office not being misused it is necessary that all items of credit of cash or cheque as well as debits in the petty cash book should be initialled by the Vice-President, and an extract of the petty cash book should be sent monthly to the President along with vouchers (payee's receipts) in respect of all payments other than the following:—

(1) Payments as per acquittance roll.

(2) Recoupment of imprest in respect of which separate sub-vouchers will be sent with the Imprest cash sheet.

(3) Remittances to treasury to the credit of Municipal Funds. *Vide* Article 338, Municipal Account Manual.

It is requested that early action will be taken in accordance with the above suggestions.

B. SREENIVAS IYENGAR,
Assistant Comptroller, and
Officer in charge of L. A. D.

GPB—12—10-5-15

Note on the Audit of the Kadur Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Row, B.A.

Date of Commencement of Audit. } 1-3-1915

Date of Completion of Audit. } 5-3-1915

Period occupied (excepting holidays).—Five days in current audit against last audit 9 days.

Names of the Vice-Presidents who held office during the period of audit:

1-7-13 to 6-1-14. A. Raja Row, Esq.

7-1-14 to 30-6-14. M. Ranganatha Row, Esq., B.A.

The last audit ended on 21st April 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.—Out of the Imprest of Rs. 100 sanctioned for this Municipality the cash on hand on 2-3-1914 was Rs. 90-12-8 and agreed with the Imprest book balance.

The balance of Rs. 9-3-4 was the expenditure incurred during :—

		Rs.	a.	p.
November 1914	...	3	0	0
December 1914	...	3	8	8
January 1915	...	0	4	0
February 1915	...	2	6	8
Total	...	9	3	4

but pending recoupment.

PART I.—Action taken on the Last Audit.

1. The audit note and objection statements relating to the previous audit were returned with replies to the Comptroller in Kadur District President's docket No. 1645—Mis., dated 18th November 1914.

2. The difference of 8 annas in the mohatarfa accounts of 1912-13 between the balance as per Khatte abstract and that as per Bakipatti was not rectified and this difference was consequently found to exist at the end of 1913-14 also.

3. The following defects have been rectified during the current year.

(1) A separate register for the collection and remittance of Octroi on piece goods was maintained from 23rd March 1914.

(2) Duplicate pattis of piece goods were found to have been arranged datewar during the year under audit.

(3) A "C. Register" was maintained for 1913-14.

(4) In the petty cash book the dates of receipt and handing over of cheques were noted and the amounts drawn on establishment pay bills also brought on this book but it is found that all items of cheques received and paid were not entered in it. For instance, a cheque payment of Rs. 80 alleged to have been made to Subramanya Iyer (as per duplicate receipt) on 18th July 1914 was cedited in the petty cash book on 19th July 1914 and no note of the delivery of the cheque was recorded in it. A cheque No. 257—84, dated 30th June 1914 for Rs. 216-13-4 drawn in favour of the same Subramanya Iyer and delivered on 18th July 1914 was omitted to be noted in the petty cash book either on the credit or debit of the cash book.

(5) The system of granting receipts for mohatarfa collections in forms having counterfoils has not yet been introduced for want of supply of requisite forms.

(6) The adjustment of Rs. 60 being the tax on Barr Huts for 1908-09 and 1909-10 has not yet been made but a reference is to have been made to the President *re* the adjustment. The number and date of the reference was not produced.

PART II.—Result of current Audit.

1. The several objections noticed in current audit are embodied in the objection statements appended to the note.

2. The financial condition of this Municipality during the year under audit stood as follows :—

	Revenue heads			Public debt			Total		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Opening balance ...	3,085	1	3	1,275	9	6	4,360	10	9
Receipts ...	4,700	6	8	654	15	9	5,355	6	5
Total ...	7,785	7	11	1,930	9	3	9,716	1	2
Expenditure ...	2,502	4	5	918	7	4	3,420	11	9
Balance on 30th June 1914.	5,283	3	6	1,012	1	11	6,295	5	5

3. Pounds—

The pound accounts disclosed several irregularities:—

(1) The entry made in impounding receipt No. 37-105, dated 6th August 1913,

ಕೊಣವಂದು admitted by one ಲಕ್ಷ್ಮಿನರಸಿಂಹಾಚಾರ್ have been erased and ಯತ್ತು and ಬೂಲಾ (Boola) respectively, have been inserted instead. The said ಲಕ್ಷ್ಮಿನರಸಿಂಹಾಚಾರ್ got admitted also another animal, *viz.*, 1 ಗಂಡುಕುದುರೆ on the same date as per receipt No. 38-106. Apparently no receipt was passed to one ಬೂಲಾ who got admitted one ಯತ್ತು on that date and the receipt granted to ಲಕ್ಷ್ಮಿನರಸಿಂಹಾಚಾರ್ was corrected to keep back the sum of one rupee collected on the ಕೊಣ.

(2) Then again, the name of the releaser of one ಗಂಡುಕುದುರೆ as per releasing receipt No. 56- 106 is ಚಿಂನುನಾಬಿ, while the person who had signed in the pound register is stated to be ನರಸೋಜಿ. This evidently shows that receipts were not regularly passed to those who admitted animals into the pound or got them released.

(3) As a result of the several suspicious alterations made by the pound-keeper there has been a loss of Rs. 6 to the Municipality and the same has been objected to for recovery in item Nos. 1 to 4 and 6 of the objection statement. Such alterations and corrections in the original receipts are always unsatisfactory, especially when they reduce the amount first entered in the receipt. If any amendment is necessary the incorrect receipt should be cancelled and a fresh one given.

No release receipt has been given in one case though the fine in respect of the animal released was recovered.

Vide objection No. 11 (*a*).

Octroi.—

(1) The following articles besides cloth are liable for payment of Octroi duty:—

(1) Ghee (but not on butter).
(2) Cocoanuts.
(3) Betel leaves.
(4) Jaggory.
(5) Oil.
(6) Tobacco.
(7) Sheep and goats

The revenue under this head is capable of considerable expansion if proper arrangements are made to have under better control than at present. The import of dutiable goods through Railway and their disposal there is no guarantee that all the goods received through Kadur Railway Station and intended for export are actually taken out of the town. The Municipal mutsaddi who is paid partly

by the Birur and partly by the Kadur Municipality and is entrusted with the octroi collection work at Kadur cannot efficiently watch the import of dutiable goods at the Railway Station. The establishment of an Ookad in charge of a Kolkar at the Railway gate seems necessary. A Railway receipt and invoice register, as laid down in Rules 116, 118, 119 and 120 of the Municipal Account Manual should be maintained in the Taluk office and all importers should be required to register the invoices for articles received through Kadur Railway Station, before taking delivery of the goods. For all articles taken into the Kadur town, duty will be paid as heretofore and for those intended for export, an export pass may be issued on payment of a small fee of one anna per cart or bundle. If the above suggestions are adopted opportunities for smuggling will be considerably minimised.

(2) In the course of the examination of the octroi receipts alterations in the quantity of articles and the amount of octroi were observed in many cases and a sum of Rs. 2-3-0 has consequently been objected to for recovery in item Nos. 12, 13, 16 and 17 of the objection statement.

(3) Certain Jawali pattis, in original, obtained from two merchants were also examined and it was found that in two instances there were alterations of years of credit of octroi duty as follows:—

Date of credit	Amount of goods	Amount of duty collected	Name of importer
18 4 11	320 7 6	6 6 6	Ganojee.
11 altered to 14			
15 4 11	239 0 0	4 12 6	Do

11 altered to 14. The credit on the dates 18-4-11 and 15-4-11 were traced but no credits appeared in the Municipal accounts against the altered dates. The matter may be investigated by the Vice-President with reference to the Merchants' Day Book. Then again, no credit appeared in respect of a 3rd Invoice produced by the said Ganojee for Rs. 212-12-3. ಕ್ರಮವು ಧಿಚಸಾಮು ಸಂವತ್ಸರ ಮಾರ್ಗಶಿರ ಬಹುಳ. The above three receipts were handed over to the Vice-President by the Assistant Comptroller Mr. B. Sreenivas Iyengar, on 3-4-1915.

4. In several instances the amount of duty recovered was less than what was shown in the Invoice even after making deductions on account of incidental expenses on cost of packages, etc. It is a point for consideration why duty should not be recovered on the total value shown

in the invoice including packing charges without making any deduction on any account as the duty is recoverable on the value of article at the place of *import* and not export, but in any case it is irregular to have made considerable deduction as in the instances noted in the objection statement item No. 18,18 (*a*) and (*b*).

The short collection amounting to Rs. 1-4-4 should be made good.

5. *Mohatarfa.*—(1) The demand, collection and balance for the year under audit were as under :—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	1,902	3	2
Demand including excess collections, notice fee and interest during 1913-14...	1,578	3	2
Total ...	3,480	6	4
Collection ...	2,002	7	10
Balance ...	1,477	14	6
But the balance as per Bakipatti was ...	1,477	2	6
Difference ...	0	12	0

The difference of 12 annas is due to incorrect balancing in respect of 4 cases as pointed out in item 22 of the objection statement and the non-reconciliation of the difference of 8 annas observed during previous audit (*vide* para 2 of Part I *supra*).

Out of the balance of Rs. 1,477-14-6, Rs. 713-0-8 were collected up to end of February 1914, leaving a balance of Rs. 764-13-10 still outstanding in respect of which no effective steps were taken for recovery. No notice register was maintained.

(2) A sum of Rs. 1-8-0 for which receipt was granted by the Shanbhog on 17th June 1913. *Vide* original receipt (seen by the Assistant Comptroller Mr. B. Srinivasaiyengar) was credited in the khiridi on 22nd June 1913, Khate No. 407, Narsojee.

(3) Many of the mohatarfa remittances were not certified to by the Treasury Officer and these were caused to be supplied at the time of audit.

(4) The mohatarfa collections should be remitted once a week as required by Rule 65 of Municipal Account Manual and not once a month as is now being done.

6. Rupees 10 the increments of Sanitary Inspector from October 1908 to February 1909 paid to him in September 1913, was debited wholly to the Birur

Municipality instead of in the proportion of ⅔rd to Birur and ⅓rd to Kadur. Consequently Rs. 3-5-4 have now to be adjusted by credit to Birur and debit to Kadur Municipality in communication with the Comptroller.

Vide objection item No. 20.

7. *Deposit.*—The Deposit Register did not show the balances of outstanding items correctly.

8. A correct statement of outstanding items of deposits should be obtained from the Deputy Commissioner's Office and an extract of the deposit transactions showing the opening balance, receipts, payments and the closing balance should be sent to the President along with monthly accounts.

9. The following records were not produced for check :—

(1) Orders for the transfer of Kattes in three instances *vide* objection No. 23.

(2) Sale records in 6 cases, *vide* objection No. 25.

(3) Orders of Government for the remission of Rs. 27-4-0.

(4) One duplicate patti of piecegoods.

10. *General.*—No steps have been taken in the matter of revising the assessment on houses as required in letter No. 1872-9—Ml. 124-14-1, dated 18th August 1914, from the Secretary to Government.

B. SREENIVASA IYENGAR,
Assistant Comptroller, and Officer in charge of Local Audit.

GPB—12—23-5-15

Note on the Audit of the Tarikere Municipal Accounts for 1913-14.

Name of Senior Auditor.—*Mr.* V. A. Govindaraju Mudaliar

Name of Assistant Auditor.—*Mr.* T. S. Somanatha Row, B.A.

Date of Commencement of Audit.—22nd February 1915.

Date of Completion of Audit.—27th February 1915.

Period occupied (excepting holidays).—6 days in current against last audit 11 days.

Period	*Names of Vice-Presidents.*
1-7-13 to 16-9-13	P. Subba Row, Esq. B.A., B.L.
17-9-13 to 5-10-13	P. Konari Row, Esq.
6-10-13 to 30-6-14	C. Lakshman Row, Esq., B.A., B.L.

The last audit ended on 26th March 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.—Out of the imprest of Rs. 150 sanctioned for this Municipality the cash on hand on 22nd February 1915 was Rs. 130-8-10 and agreed with the Imprest Book balance. The balance of Rs. 19-7-2 was the expenditure incurred on—

Date	Particulars	Amount
		Rs. a. p.
25-11-1914	Rewards paid for killing snakes ...	0 8 0
26-11-1914	Paid to Ramabhoi for repairing Chikere kodi as per Sub-Division Officer's No. 71, dated 12th November 1914.	7 14 2
8-12-1914	Paid for interring paupers ...	1 8 0
16-12-1914	Reward paid for killing snake ...	0 4 0
9- 2-1915	Paid to Venkatramiah, on account of refund of sale proceeds of impounded cattle.	8 9 0
10- 2-1915	Reward paid for killing snake ...	0 4 0
15- 2-1915	Do ...	0 8 0
	Total ...	19 7 2

Part I.—Action taken on the Last Audit.

1. The audit note and objection statements relating to the audit of 1911-12 and 1912-13 were returned with replies by the Vice-President in his No. 23, dated 30th August 1914 and were pending disposal in the President's Office.

2. Such of the items as remained unanswered and unadjusted have been embodied in the objection statements attached to the note.

3. No Bonded Warehouse for the deposit of Octroi-leviable good, has yet been provided for.

4. Agreeably to the suggestion made in the last audit note the services of the peon attached to the cattle pound are being utilised to watch the import of dutiable goods received by rail. The maintenance of a railway receipt and Invoice Register as prescribed in Rule 118, Mysore Account Manual, is also necessary.

5. The mohatarfa balance in respect of town proper was increased by Rs. 6-8-0 as pointed out in objection on page 14, but the balance against Machinahalli on 30th June 1913 was not reduced by Rs. 7-8-0 being the amount of mohatarfa tax on Barr Lines for 1911-12 adjusted in the Comptroller's Office in the accounts for June 1913, final, as this amount was brought on the Kiridi only in July 1913.

6. It is understood that the appointment of a wholetime bill collector in the place of hereditary Shanbhog and Patel was not approved of by the Municipal Council on the ground that the present arrangement was working satisfactorily.

[Resolution, dated 20th September 1912 and 31st October 1912].

7. The President has been addressed in No. 70, dated 11th November 1914, in the matter of adjustment of the Municipal taxes due from the Forest and Engineering Departments in respect of Government buildings.

8. Orders of Government have been received in the matter of investing Rs. 25,000 out of the surplus amount in Government Order No. 474-5—Mi. 283-13-5, dated 10th July 1914.

9. A register to show the demand and collection on account of stall rent has been opened since 12th December 1913.

Part II.—Result of Current Audit.

The several objections noticed in audit are embodied in the objection statement attached to the note.

2. The financial condition of this Municipality during the period under audit was as follows:—

	Opening balance	Receipts	Total including opening balance
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Revenue heads ...	34,059 11 1	11,836 9 5	45,896 4 6
Public debt ...	295 10 11	576 7 6	872 2 5
Total ...	34,355 6 0	12,413 0 11	46,768 6 11

	Expenditure	Balance
	Rs. a. p.	Rs. a. p.
Revenue heads	8,684 14 3	37,211 6 3
Public debt	619 11 5	252 7 0
Total ...	9,304 9 8	37,463 13 3

3. *Octroi.*—(1) Rupee one objected to for recovery as a result of errors in calculation was recovered and credited into the Treasury on 27th February 1915. (*Vide* objection No. 2.)

(2) In certain cases, it was observed that octroi was recovered only on such portions of the imported goods as were sold in the Municipal limits and not on the gross value of the goods imported.

(3) The procedure adopted in recovering duty on shandy days was as follows:—

Of the goods imported, sufficient quality is detained as security for the octroi due on the goods and the rest is allowed into the shandy for sale, when the importer leaves the station, the goods remaining with them unsold are examined, the value of goods sold is ascertained and octroi is recovered thereon. The defects in the above procedure are:—

Firstly.—The articles are not declared at the time of import as meant for immediate export. In Rule 153 of the Municipal Account Manual such a declaration is necessary for the transit pass system to apply.

Secondly.—The practice of obtaining deposit of goods, etc., as security to be subsequently refunded is inadmissible under last sentence of Rule 154, Municipal Account Manual.

Thirdly.—There is no provision in the Municipal Regulations authorising such a procedure.

4. *Mohatarfa.*—(1) The demand,

collection and balance for the period under audit are as under:—

Particulars	Town proper	Machinahalli
	Rs. a. p.	Rs. a. p.
Arrears on 1st July 1913 ...	933 3 3	75 14 0
Demand for the year ...	4,819 6 6	238 1 10
Total ...	5,752 9 9	313 15 10
Collection ...	4,149 7 0	243 13 10
Balance on 30th June 1914...	1,603 2 9	70 2 0

(2) The amount shown as outstanding on 30th June 1914, in the Sarkharkhate of the town proper was Rs. 1,601-10-9. The omission to take into consideration an excess collection of Re. 1 in respect of khate No. 1579 and an incorrect reduction in the demand by 8 annas in respect of khate No. 938 pointed out in item No. 6 of the Objection Statement explains the difference of Rs. 1-8-0 between the Sarkharkhate and the correct balance.

(3) No notice register was maintained and no information was available as to the measures taken for the recovery of the heavy arrears.

5. *Public Works.*—A "C" register was opened for the year 1913-14. In this are entered only the total amount of the sanctioned estimate and the number and date of the cheque by which the several payments were made.

The sanctioned quantities and rates in respect of the several sub-heads are not noted in it nor the bills posted in detail.

6. *Deposit.*—The balance under deposit on 30th June 1914 as per Cash Account for June 1914 was Rs. 402-7-0 and this agreed with the details shown in the Deposit Register.

7. The following were not produced for audit—

(1) Three sale records of impounded cattle.

(2) Four duplicate copies of patties of cloth.

8. *General.*—The revision of assessment ordered in Government Order No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been taken up.

B. SRINIVASIENGAR,
Asst. Comptroller and Officer in charge of L. A. D.

18th March 1915.

GPB—12—24-5-15

Note on the Audit of Accounts of Birur Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—6th March 1915.

Date of Completion of Audit.—14th March 1915.

Names of Vice-Presidents.—1st July 1913 to 6th January 1914—A. Raja Rao, Esq.

7th January 1914 to 30th June 1914—M. Ranganatha Rao, Esq., B.A.

Period occupied (excepting Holidays).—Nine days in current audit against last audit 6 days.

The last audit ended on 17th April 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.

Out of the Imprest of Rs. 100, sanctioned for this Municipality, the cash on hand on 2nd March 1915 was Rs. 55-5-4 and agreed with the balance shown in the imprest book. The balance was accounted for as follows :—

	Rs.	a.	p.
Expenditure incurred during December 1913	2	5	4
Expenditure incurred during February 1914	42	5	4
Total ...	44	10	8

The imprest should be received at an early date.

2. Balance on hand as per petty cash book on 5th March 1915 was Rs. 70-1-8, being the undisbursed amounts of—

	Rs.	a.	p.
Lighting charges for November 1914	50	12	0
Carting charges for January 1915	19	5	8
Total ...	70	1	8

Why the above sums remained undisbursed for four months should be explained.

PART I.—Action taken on the last audit.

1. The audit note and objection statements relating to the audit of the period 1st July 1911 to 30th June 1913, forwarded to President with Comptroller's No.....L. A. D. 1030, dated 29th May 1914, have not yet been returned with replies.

2. Such of the items in the objection statements relating to that period as remained undisposed at the time of audit have been brought on the objection statement appended to this note.

3. The counterfoils of Octroi receipts from 30th September 1911 to 9th November 1911 and the duplicate pattees of piece-goods not produced during previous audit were not available for check during current audit also.

4. The Khate for 1912-13 and the kiridees for 1911-12 and 1912-13, which were not produced for check during last audit were secured from the late Shanbhog Ramaswamiah.

PART II.—Result of the Current Audit.

1. The objections, etc., noticed in audit are embodied in the objection statements appended to the note and the more important of them are dealt with below.

2. *Octroi.*—(1) It was observed that in a large number of cases discount allowed to the importers of cloth was deducted from the gross value of the piece-goods and octroi was recovered only on the net value. As octroi is recoverable on the value of each article at the place of import and not export the procedure has resulted in a loss of revenue to the Municipality amounting to Rs. 9-9-8 which has been objected to for recovery in item No. 1 of the objection statement.

(2) Some duplicate pattees were wanting this year also and this recurring objection deserves particular attention.

(3) As it is understood that a good number of articles on which octroi duty is leviable is imported through Railway the maintenance of a Railway receipt and Invoice Register in Form No. 34 will enable the Municipal Office to have the import of such goods under better control than at present.

3. *Mohatarfa.*—(1) The late Shanbhog Ramaswamiah, who was responsible for the several irregularities pointed out during the audit of 10-11 and was subsequently found to have defalcated a sum of Rs. 399-12-0 (as per statement attached) out of the collections made on behalf of the Municipality was committed in criminal case Nos. 19 and 20 of 1914-15 and sentenced to undergo imprisonment under Section 409 of the Indian Penal Code. The amount defalcated was also recovered from the shanbhog and kept under Municipal Deposit on 16th November 1914.

(2) The examination of the Mohatarfa accounts of the three years 1911-12 to 1913-14 disclosed among others the following defects.

(1) A sum of Rs. 4-10-0 was found to have been remitted in 1911-12 in excess of the details of collections in the Kiridi.

Vide objection No. 4.

Similar excess remittance of Rs. 4 in 1912-13 was also observed.

Vide objection No. 25 (*b*)

(2) Cases in which the collections in the Kiridi were not posted against the respective khates during 1911-12, 1912-13 and 1913-14 have been detailed in the objection item Nos. 5, 21, 23 and 27 respectively.

(3) In several instances the credits afforded to several khattes were not traceable in the kiridi.

Vide objection item Nos. 6, 24 and 28.

(4) There were errors in carrying forward the balances of 1910-11 from the khate of that year into the khate for 1911-12, resulting in a net difference of Rs. 21.

Vide objection item No. 29.

(5) The demand was not raised by the amount of excess collections during the three years 1911-12 to 1913-14.

		Rs.	a.	p.
1911-12	...	19	6	0
1912-13	...	17	9	0
1913-14	...	29	12	0

Vide objection item Nos. 26, 26 (*a*) and 26 (*b*).

(6) The demand and opening balance for 1911-12 as worked out from the details in the khate for 1911-12 were different from those in the Sarkar khate

for 1911-12 and those given in the last audit note.

——	Amount appearing in the Sarkar khate	Amount as per audit note of 1911-12 and 1912-13	Amount as worked out from the details in the khate for 1911-12
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance for 1911-12 ...	3,573 5 10	3,567 11 10	3,568 13 4
Demand for 1911-12 ...	3,672 2 9	3,680 11 4	3,695 6 9

Vide objection Nos. 7 and 8.

Taking the details of balance available in the khate for 1910-11 as compared with that brought forward in the khate for 1911-12 as the basis, the demand, collection and balance for the years 1911-12, 1912-13 and 1913-14 were worked out to be as follows :—

——	1911-12	1912-13	1913-14
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1911 (as per details available	3,568 13 4	3,572 0 8	4,491 0 4
Demand including excess collection, interest and notice fee.	3,695 6 9	3,753 14 3	3,718 15 11
Total ...	7,264 4 1	7,325 14 11	8,210 0 3
Collection ...	3,692 3 5	2,834 14 7	2,701 5 11
Balance ...	3,572 0 8	4,491 0 4	5,508 10 4
Balance as per kulwar details.	3,576 10 8	4,508 4 4	5,537 12 4
Difference ...	4 10 0 (a)	17 4 0 (b)	29 2 0 (c)

(*a*) The difference of Rs. 4-10-0 for 1911-12 is the result of excess remittances referred to in para 3 (2) (1) supra.

(*b*) The difference of Rs. 17-4-0 for 1912-13 is made up of—

	Rs.	a.	p.
(1) Excess remittance in 1911-12.	4	10	0
(2) Do in 1912-13 as pointed out in para 3-121 1 *supra*.	4	0	0
(3) Amount of collections not posted in the khate (*vide* objection No. 23.)	11	2	0
Total ...	19	12	0
(4) Deduct amount posted in the khate with no corresponding credit in the kiridi (*vide* objection No. 24.)	2	8	0
Balance ...	17	4	0

(*c*) Difference as above ...	17	4	0
Amounts not posted in the khate (*vide* objection No. 27.)	24	14	0
Total ...	42	2	0

	a.	p.
Amounts posted in the khate with no credit in the kiridi (*vide* objection No. 28.)	11	4 0
Balance ...	30	14 0
Net difference still remaining to be accounted for.	1	12 0

(7) The arrears at end of 1913-14 under mohatarfa were very heavy. Early steps should be taken for recovering the same by having recourse to coercive measures.

Even a Notice Register was not maintained to see how far effective action was taken in regard to the collection of arrears.

4. *Deposit.*—There was a difference of Rs. 40 in the closing balance under deposit on 30th June 1914 between the Vice-President's and President's Office accounts and the same has to be reconciled in communication with the President's Office.

5. *General.*—The revision of assessment as ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, was not taken up in this Municipality.

(2) The new Municipal Account Manual was not also brought into force during 1913-14.

B. SRINIVASIENGAR,
Asst. Comptroller and Officer in charge of Local Audit Department.

Statement showing the amount defalcated by Shanbhog Ramaswamiah of the Birur Municipality.

Serial No.	Name	Amount
		Rs. a. p.
1	Rudrappa *bin* Nanjanna	8 12 0
2	Maregathaguru Nanjappa	12 0 0
3	Kadur Siddappa .. .	10 12 0
4	Muddu Ninga	2 8 0
5	Kenchi *bin* Mulliya	3 8 0
6	Gali	0 8 0
7	Kasim Saib	8 0 0
8	Dalappa	4 0 0
9	Bukkariah	8 8 0
10	Malliya *bin* Basavalingappa ...	20 4 0
11	Sivalingappa	1 8 0
12	Hayath Saib	1 12 0
13	Mariappa	10 0 0
14	Lakka	4 0 0
15	Krishnaswamy Mudaliar	4 0 0
16	Nanjappa	6 0 0
17	Kattegiriah	0 8 0
18	Abdul Azeez	8 0 0
19	Abdul Rahman	.....
20	Sugunaiya	2 0 0
21	Bandi Venkataramaiya	8 0 0
22	Honnappa	3 0 0
23	Kandi Lingappa	18 0 0
24	Shanbhog Krishnappa	2 8 0
25	Bemaje Nanjappa	12 12 0
26	Huchamma	5 0 0
27	Seetharamiah	2 0 0
28	Kerani Venkatasubbiah	20 12 0
29	Kerani Thimappa	1 4 0
30	Anche Ninga	1 0 0
31	Dodi Thima	5 4 0
32	Hulli Benki	3 8 0
33	Munigana Nanjanna	10 0 0
34	Mangamana Nanjappa	9 12 0
35	Kanedi Ramanna	26 8 0
36	Sivalingappa	6 0 0
37	Yedahalli Santhappa Settaru ...	30 8 0
38	Emam Saib	46 0 0
39	Mallanappa	6 0 0
40	Mallah	1 0 0
41	Veerbhadriah	2 0 0
42	Venkata Rao	8 12 0
43	Venkatramaiya	4 0 0
44	Sakamma	3 0 0
45	Venkatramiah Janti Venkat Rao ...	0 12 0
46	Rudramiah	1 0 0
47	Kanara Ramaswami	4 0 0
48	Kirtinay Nagappa	4 0 0
49	Badrayana, son Subbanna ...	3 0 0
50	Ranga, son of Papa	5 0 0
51	Sidanahalli Naga	13 0 0
52	Puttanna	4 8 0
53	Dasa, son of Mallah	6 8 0
54	Sheer Khan	5 0 0
	Total ...	399 12 0

GPB—12—

Note on the Audit of the Kadur District Fund Accounts for 1913-14.

Name of Senior Auditor—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit—14th December 1914.

Date of completion of audit—29th December 1914.

Period occupied (excepting holidays)—13 days in current audit against last audit 17 days.

Names of President and Vice-President who held office during the period of audit :—

Period.	Name of President.
1-7-1913 to 20-2-1913	K. Krishna Iyer, Esq.
21-2-1913 to 28-2-1914	B. Ramaswamiah, Esq., B. A.
1-3-1914 to 30-6-1914	K. Krishna Iyer, Esq.

The last audit ended on 24th January 1914, and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 25 sanctioned for this district, the cash on hand on 19th December 1914 was Rs. 12-1-3 and agreed with the imprest book balance.

2. The difference of Rs. 12-14-9 between the imprest and the cash on hand is made up of the following items :—

(1) Cost of Orr's model rules purchased and supplied to Birur Municipality on 2nd December 1913—Rs. 2-7-3.

(2) Railway freight paid on forms received from the Stationery Depot on 3rd December 1914—Rs. 5.

(3) Railway freight paid on forms received from the Stationery Depot on 4th December 1914—Re. 0-12-0.

(4) Purchase of country stationery articles on 11th December 1914—Rs. 4-11-6.

PART I.—Action taken on the last audit.

The audit note and the objection statement relating to the accounts of Kadur District Funds were returned to the Comptroller with replies in President's No. 3259, dated 20th May 1914.

Such of the items in the objection statement as yet remain unanswered have been detailed in the objection statement attached to the note.

PART II.—Result of Current audit.

1. The books, etc., audited and examined were the same as in the previous year.

2. The defects, etc., noticed during audit are embodied in the objection statement attached to the audit note.

The important ones are referred to hereunder.

3. *Cash book.*—This book continued to be imperfect inasmuch as the dates of encashment of the several cheques issued were not duly noted against the respective cheques with a view to find out the details of uncashed cheques at the close of the month. Also no list of such cheques was prepared in some months.

(All months except November and December 1913.)

The adjustments intimated by the Comptroller's office were not also incorporated in the cash book.

4. *Imprest book.*—This book did not show the actual dates on which the several payments were made from imprest. For example, though the Railway cash receipt for Rs. 3-7-0 bears the date 23rd August 1913, the date of payment of this amount as per imprest book was 8th September 1913, *vide* also similar items detailed in item Nos. 24 and 25 of the objection statement. The imprest book should be written up as payments are made and such discrepancies in respect of this original record avoided.

5. *Establishment charges.*—A sum of Rs. 8-8-3 being the pay of one A. Venkataramiah who worked in the Kadur Municipality for the 1st 22 days in October 1913 as mutsaddi, before his transfer to District Board service, was paid from District Funds, when it was a proper charge against that municipality. This sum and an amount of one anna overpaid due to error in calculation were objected to for recovery in item Nos. 1 to 4 of the objection statement.

6. *Contingent charges.*—Rs. 3-6-2 objected to for recovery under this head is made up of (1) Re. 0-1-8 overpaid, due to error in calculation. (2) Rs. 3-4-6, the amount of feeding charges refunded in excess of the amount remitted into the Treasury as such.

7. Payees' receipts were wanting in several cases in support of the debits in the accounts under contingent and public works charges.

8. *Public works charges.*—In the absence of sanctioned estimateswhich were not available for audit in respect of most of the works and measurement books in respect of some, no efficient check could be exercised over the rates allowed or over excesses over sanctioned quantities under sub-heads.

The excess payment of Re. 0-15-10 under this head was objected to for recovery in items 47, 49 and 53 of the objection statement.

9. The budget grants were exceeded in some cases and no reappropriations were made to remedy the excesses.

Debt Heads.

10. *Deposits.*—This account which began with a balance of Rs. 1,999-1-0 was closed with a balance of Rs. 2,041-9-6, the receipts and expenditure during the year under audit being Rs. 1,248-3-11 and Rs. 1,205-11-5 respectively. But the closing balance according to the cash accounts for June 1914 was Rs. 1,766-1-6. The difference of Rs. 275-8-0 between the correct balance and that in the accounts was due to the facts (1) that a sum of Rs. 290-8-0 received from the villagers of Tarikere Taluk in November 1913, March and April 1914 and shown under deposits in the taluk returns, was credited in the accounts of these months under E. Contributions—(4) Other sources, and (2) a sum of Rs. 15 paid on cheque No. $\frac{30}{61}$ dated 23rd August 1913, issued in favour of one Mahamed Sheriff towards repayment of earnest money deposit was wrongly debited to C. 3. Refunds, instead of to Deposits. Necessary adjustments may now be made to remedy the above misclassifications in communication with the Comptroller.

10A. A sum of Re. 0-1-8 has been debited to deposits in the accounts for June 1914 when no such item was hanging under this head in the deposit register. But the details given in respect of this item in the deposit return of the Kadur Taluk for this month clearly show that this is the balance remaining unadjusted out of Rs. 5-8-0

credited to deposit on 27th February 1912 and this item of 0-1-8 appears to have been lost sight of when the list of outstanding items at the end of 1912-13 was prepared; consequently the balance under "Deposit" has to be increased by this amount in communications with the Comptroller's office, if necessary, so that the balance at the end of 1913-14 may work up to Rs. 2,041-11-2 for which amount details are available in the deposit register.

11. *Uncashed cheques.*—The amount of uncashed cheques at the end of June 1914 was Rs. 2,446-7-6, as appearing in the statement on page 8 of the accounts for June 1914.

The differences that were observed in the amount of uncashed cheques during the audit of 1912-13 accounts, and the suggestions to remedy them were detailed in pages 1 to 4 of the objection statement for 1912-13.

The amount of uncashed cheques was corrected in the accounts for November 1913, but out of the corresponding adjustments that had to be effected in the body of the accounts, only one item of 9 as. was taken on the credit side. (*Vide* President's letter No. 888—Mis., dated 15th September 1914, and the adjustment of 2 annas in the accounts for October 1914) the adjustment of the other items suggested in the previous year's audit note to rectify the mistake, *viz.*, to take credit for one pie and to debit Rs. 1-4-0 in the accounts, remain yet to be effected. Consequently the balance at the end of June 1914 was Re. 1-3-11 in excess. The adjustments which were omitted, may now be made in the current year's accounts.

12. *Advances recoverable.*—A sum of annas 11 under this head first appeared in the accounts for November 1913 under "other items" on the receipt side, but was subsequently transferred to the head 'advances recoverable' in the Comptroller's Office for want of information regarding the proper head of credit. When this amount was subsequently stated in President's No. 888—Mis., dated 15th September 1914, to be a mistake for 9 annas, which was one of the amounts adjustable according to item 3 of the objection statement for 1912-13, this sum of 11 annas should have been adjusted by debit "Advances recoverable" and credit to the proper head of account and 2 annas should have been shown on the debit side to cancel the excess credit. But the adjustment intimated from the Comptroller's

office in No. 2794—304 L.A.D., dated 15th October 1914, rectified the excess credit only. Thus, this 11 annas still remains unadjusted under "Advances recoverable." Early steps may be taken to adjust this item in communication with the Comptroller.

13. The accounts were checked by the Finance Committee on the following dates :—

Dates.	Month of account checked.
26-8-13 ...	April to June 1913
8-11-13 ...	July 13 to September 1913
13-2-14 ...	October 13 to December 1913
25-5-14 ...	January 14 to March 1914

Dates of receipt of District Fund accounts in the Comptroller's Office for 1913-14.

July 1913 August September	...	... 22-11-13
October	...	... 26-12-13
November	...	... 21-2-14
December	...	... 21-2-14
January 1914	...	... 13-3-14
February	...	... 8-4-14
March	...	... 1-5-14
April	...	... 3-6-14
May ...	...	... 1-7-14
June ...	...	... 17-8-14

14. The following vouchers and challans were not produced for audit.

1. V. No. 44 of March 1914 for Rs. 25.
2. Do 30 of June 1914 for Rs. 20.
3. Challans of Chikmagalur Taluk for July 1913

Assistant Comptroller
and Officer in charge
of Local Audit Department.

GPB—15—15-3-15

Note on the Audit of the Accounts of the Shikarpur Municipality for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Asst. Auditor.—A. Rangasami Iyengar.

Date of Commencement of Audit.—21st June 1915.

Date of Completion of Audit.—26th June 1915.

Period occupied (excepting holidays).—*In current audit again last audit*—Five days each.

The last audit ended on 4th April 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balances of imprest cash on hand on 25th June 1915 were Rs. 38-5-6 under Municipal and Rs. 119-13-0 under District Funds and agreed with the balances shown in the imprest accounts.

2. PART I.—Action taken on the Last Audit.

The audit note and the objection statement for the years 1911-12 and 1912-13 were returned by the Deputy Commissioner, Shimoga, with remarks with his docket No. 509, dated 26th August 1914; but those for the previous period *i.e.*, 1910-11 remained to be disposed of.

(1) The sum of Rs. 7 received by Patel N. G. Ruddrappa on 1st June 1913 and not brought to account was made good, but what action was taken to punish the party at fault and to prevent the recurrence of such irregularities was not explained.

(2) The short collections and remittances under Octroi and Pounds objected to during last audit were all recovered and remitted to the Treasury.

(3) A sum of Rs. 6 being the sale proceeds of a cow (Pound register No. 169, dated 21st July 1911) was stated to have been recovered from the Municipal Mutsaddi on 30th July 1914; but how the amount so recovered was disposed of was not stated.

(4) Action was not finally taken in regard to the defective system of allowing cloth bundles being taken by the importers into their shops straight off without payment of duty and of stamping them there instead of at the octroi katte or the Taluk Cutchery.

3. PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 22 sheets of objection statements the more important of which are dealt with in this audit note.

4. The financial condition of the Municipality during the period covered by the audit was as follows :—

	Rs.	a.	p.
Opening balance on 1st July 1913.	12,634	10	3
Receipts in 1913-14 ...	5,650	3	4
Total ...	18,284	13	7
Expenditure during the year.	11,359	0	1
Closing balance on 30th June 1914	6,925	13	6

5. *Octroi Accounts.*—

(1) As stated above, no improvement was effected in the matter of collection of octroi revenue.

(2) Certain invoices of piece-goods and cloths were not produced for examination, *vide* item 1.

(3) There were several alterations made in the counterfoils of receipts apparently with a view of keeping back certain amounts received, involving a loss of revenue to the extent of Rs. 5-10-8, *vide* item 6. This amount as well as the short collections of duty of pies 6. (Item 8) should be recovered from the party concerned and remitted to the Treasury for credit to the Municipal Funds.

(4) No security was furnished by Municipal Mutsaddi Khasim Khan who was appointed to look after the octroi collections. *Vide* item 8.

6. *Mohatarfa Accounts.*—The demand, collection and balance of mohatarfa taxes of the Municipality for the year under audit were as follows :—

	Haleyur			Kanoor			Total		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Opening balance on 1st July 1913	579	4	0	308	5	5	887	9	5
Add demand for 1913-14.	2,350	4	0	532	8	0	2,882	12	0
Total	2,929	8	0	840	13	5	3,770	5	5
Deduct collections during the year.	2,437	6	6	342	0	0	2,779	6	6
Closing balance on 30th June 1914.	492	1	6	498	13	5	990	14	11

(A) Haleyur town.

(1) Omissions of demand.

(*a*) Carts owned by the Amildars were not taxed, *Vide* item 9.

(*b*) Cart tax of Rs. 6 was reduced in the khate of Haleyur town on the ground of the carts having been sold to some persons in Kanoor but there were no corresponding increases therefor in the khate of the latter. *Vide* item 11.

(2) Government Order No. 6044-54—Mun. No. 177-09-6, dated 20th January 1910, prescribing the levy of the taxes in two equal instalments in advance in July and January respectively of every year was not yet given effect to, *vide* Rule 76 of the Municipal Account Manual and item 15 of the objection statement.

(3) The taxes recovered were retained in hand in large amounts and they were remitted to the Treasury only once a month from February to June 1914 which is not only unsafe but also objectionable on various grounds. The amount retained in hand in February 1914 at one time was Rs. 1,103-6-0, *vide* item 16. Under Rule 65 of the Municipal Account Manual, the collections should be remitted to the Treasury once a week, which should be strictly enforced in future.

(4) The closing balance of mohatarfa taxes outstanding on 30th June 1914 was Rs. 492-1-6 (Rs. 87-2-6 less than the figure of the previous year) comprising 147 items of arrears out of 788 khate numbers on the whole. The arrears pertained to 21 years from 1893-94 to 1913-14, *vide* item 19 and Statement V. Out of this balance, Rs. 82 were due for some Government buildings and Rs. 12 were due from certain Government employees on account of cart tax many of which were longstanding in the accounts, *vide* items 20 and 21.

(5) Potigi was distributed to the shanbhog and patel in the proportion of $\frac{4}{7}$ and $\frac{3}{7}$ instead of $\frac{3}{5}$ and $\frac{2}{5}$ of 5 per cent of the collections respectively. *Vide* para 5 of Government Order No. 12704-13—L. F. 295-96, dated 8th May 1899, *vide* item 22.

B. Kanoor Town. (1) The arrears and Jamabandi figures were in some cases incorrectly carried over to the khate for 1913-14, *vide* item 26.

(2) The closing balance was less carried over to the Bakipatti in a certain case by Rs. 2; *vide* item 27.

(3) (*a*) The closing balance on 30th June 1914 was Rs. 498-13-5, comprising 148 items of arrears out of 271 khate numbers on the whole, *i.e.*, more than half the number remained outstanding. *Vide* item 30. The arrears pertained to fifteen years from 1897-98 to 1900-01 and from 1903-04 to 1913-14.

(*b*) The arrears went on increasing from year to year as may be seen from Statement V. The closing balance for 1913-14 was about Rs. 50 more than the sum total of the closing balances of the two preceding years.

(*c*) Out of the balance on 30th June 1914, Rs. 24 were due for Barr lines for the years from 1911-12 to 1913-14 for the recovery of which a bill should be sent to the Military Department, *vide* item 31.

7. General remarks.

(*a*) Office Acquittance Roll and Service Registers.

(1) The Service Register of assistant Sanitary Inspector, Chikkachandrappa was not produced for examination, *vide* item 24.

(2) The pay of the Assistant Sanitary Inspector for October and November 1913 though noted as having been drawn in the register was not acknowledged to have been received by him, *vide* item 38. This requires explanation.

(*b*) Visitors' book of the Travellers' Bungalow at Shikarpur.

(1) The dates and hours of arrival and departure which are essential points required for determining the rent recoverable were not properly noted in the register, *vide* item 43.

(2) (a) Annas 8 required to be recovered as rent from certain officers were not traced to have been remitted to the Treasury, *vide* items 40 and 41.

(*b*) A sum of annas 2 was less recovered and credited to Treasury *vide* items 42 and 44.

The amount short-recovered should be now recovered from the party responsible and remitted to the Treasury for credit to the District Funds.

B. SREENIVASA IYENGAR,
Assistant Comptroller and
Officer in charge of the Local
Audit Department.

W. D. 556—GPB—12—14-10-15.

Note on the audit of the accounts of the Tirthahalli Municipality for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—A. Rangasami Iyengar.

Date of Commencement of Audit.—20th May 1915.

Date of Completion of Audit.—2nd June 1915.

Period Occupied—(excepting holidays) in current audit against last audit.—Current audit 5 days, last audit 4 days.

The last audit ended on 29th March 1914, and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

1. *Check of Cash Balance.*—The balances of cash on hand on 1st June 1915 were as noted below which agreed with the balances shown in the Municipal and District Fund Imprest accounts.

Imprest accounts	Amount sanctioned	Balance on hand
	Rs. a. p.	Rs. a. p.
Municipal Fund	50 0 0	49 12 0
District Fund	100 0 0	77 5 3
Total ...	150 0 0	127 1 3

2. PART I.—ACTION TAKEN ON THE LAST AUDIT.

The several amounts objected to for recovery were recovered and the other objections were all satisfactorily answered except the following :—

(i) The privilege leave allowance erroneously paid to Municipal Mutsaddi Venkataramaniah for 15 days from 17th August 1904 when he was Sayer kolkar on Rs. 5, was not recovered but it was stated that the amount would be short-drawn in the bill for arrears of pay due to the said official which had been submitted for sanction.

(ii) The action taken regarding the disbursement of the potigi due to the shanbhog for 8 years from 1904-05 to 1909-10 and 1912-13 and 1913-14 was not pointed out.

3. PART II.—Result of Current Audit.

The result of current audit is satisfactory and the few objections noticed in audit are embodied in the accompanying objection statements.

4. The financial condition of the Municipality during the period under audit was as follows:—

		Rs.	a.	p.
Opening balance		9,647	5	10
Receipts		5,868	2	8
	Total ...	15,515	8	6
Expenditure		2,999	6	10
	Closing Balance	12,515	1	8

5. As suggested in the last audit, a resolution was passed by the Municipal Council and submitted to the President for approval to invest in Mysore Government Pro-notes Rs. 6,000 as surplus out of the closing balance at the credit of the Municipality.

6. *Octroi.*—Mr. Narasimiah, one of the Municipal Councillors continued to supervise the Octroi collections as in the previous year. Octroi is the mainstay of revenue in this Municipality.

The defects observed in the Octroi accounts were:—

(*a*) Loss recovery of duty to the extent of annas 2. *Vide* Item 23.

(*b*) Alterations in figures of the counterfoil receipts so as to reduce the Municipal revenue by annas 2. *Vide* Item 24.

Both of the amounts should be recovered and remitted to the Treasury for credit to the Municipal Funds.

7. *Mohatarfa Accounts.*—(*a*) The demand, collection and balance of the Mohatarfa taxes for the year were as noted below:—

		Rs.	a.	p.
Opening balance		70	12	0
Demand for the year		443	7	0
	Total ...	514	3	0
Collections during the year		452	7	0
	Closing balance ...	61	12	0

(*b*) In the khate of Kuruvalli town, it was observed that 2 double-bullock carts and 1 single bullock cart were erroneously omitted to be assessed on the ground of their having been maintained for the use of the owners and not for hire. *Vide* Item 29.

(*c*) The Treasury certificates were neither obtained in the khirdi nor were the duplicate chellans pasted thereto in

support of certain remittances to the Treasury. *Vide* Item 51.

(*d*) Rupees 51 were outstanding against certain Government buildings as per baki patti of the Muzrai portion of Tirthahalli Town on 30th June 1914. *Vide* Item 53.

(*e*) As pointed out in the previous audit note, there was again a shortage in the amount of the Mohatarfa collections credited to the Municipality by the managers of the Rameshwara temple. The demand for 1913-14 was Rs. 1,532-8-0 and ¼ quota due to the Municipality was Rs. 383-2-0, but the amount credited was only Rs. 310-4-0.

Even in 1914-15 in which year the adjustment of the Municipal quota was made on the actual collections as required by Government Order No. 18646-7—L. F. 161-92, dated 3rd May 1894, the apportionment of credit was made indiscriminately at the discretion of the shanbhog as can be seen from the detailed statement given on page 17 of the objection statement. There was apportionment of credit in the remittance of one amount and none at all in the other and thus on the whole Rs. 73-2-10 were less adjusted to the credit of the Municipality out of the collections made up to the close of April 1915. The difference should be adjusted.

In order to put a stop to the existence of such discrepancies in the adjustment and the resulting confusion in accounts, it is advisable to uniformly apportion the credits in future while remitting the amounts to the Treasury on each occasion.

(*f*) Rupees 61-12-0 and Rs. 642-4-0 were the closing balances for June 1914 as per baki patties of the Municipal and Muzrai portions of Tirthahalli Town. *Vide* item No. 54 and statements III to V appended hereto and no co-ercive measures were taken in 1913-14 for the recovery of the arrears by the issue of notices and further execution proceedings as required by Rules 70 to 73 of the Municipal Accounts Manual. *Vide* item No. 30.

8. The map showing the Municipal and Muzrai portions of Tirthahalli Town required for comparison with the different khates was not prepared.

9. *District Fund.* (*a*) *Imprest accounts.*—An item of Rs. 5-2-0 remained unrecouped for a very long time. *Vide* item No. 37.

(*b*) *Acquittance Roll.*—Receipt stamps were not affixed for payments made in certain months on account of pay (Rs. 20)

Note on the Audit of the Accounts of the Municipality of Honnali Town for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—A. Rangasami Iyengar.

Date of Commencement of Audit.—3rd July 1915.

Date of Completion of Audit.—7th July 1915.

Period occupied (excepting holidays).—In current audit four days against four days in last audit.

The last audit ended on 25th May 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

1. *Check of Cash Balance.*—The balances of cash on hand on 9th July 1915 on account of the Municipal and District Fund Imprests were as noted below which agreed with the balances shown in the Imprest accounts.

	Amount sanctioned	Cash on hand
	Rs. a. p.	Rs. a. p.
Municipal fund	50 0 0	49 4 0
District fund	100 0 0	74 2 0
Total ...	150 0 0	123 6 0

PART I.—Action taken on last Audit.

1. (*a*) Re. 1-0-10 and Re. 0-3-0 retrenched in octroi and pound accounts respectively were recovered and remitted to the Treasury for credit to the Municipal funds on 21st August 1914.

(*b*) The practice of recovering duty on the gross value of piece-goods and cloths was adopted from 1914-15.

(*c*) A register for remitting the miscellaneous collections to the Treasury was opened from 25th January 1914.

(*d*) No action was taken regarding the keeping back out of account a sum of Rs. 4-5-10 collected as Mohatarfa tax on 25th June 1908 till 17th June 1912 or nearly four years thereafter.

2. The records connected with the sale of impounded stray cattle during 1911-12 and 1912-13 were not produced even in the course of the current audit.

The octroi counterfoil receipt books from 31st August 1910 to 14th February 1911 not produced in the previous audits were stated to be not available in the records of the taluk office.

3. The irregular practice of allowing the bundles of piece-goods and cloths imported into the town to be taken by the merchants direct to their shops pending payment of duty thereon was not discontinued up to the close of the current audit and no account was maintained in the Municipal Office of the receipt of such bundles into the town so as to prevent the smuggling of goods.

4. As regards providing an octroi Bonded Warehouse for depositing the dutiable articles pending the recovery of duty, the President of the Municipalities in the Shimoga District, directed in his office No. 872, dated 18th December 1914, to allot temporarily one of the rooms occupied by the Sub-Registrar's office for the purpose but no action was taken in the matter.

PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 12 sheets of objection statements the more important of which are dealt with here.

The financial condition of this Municipality during the period covered by the audit was as follows :—

	Rs.	a.	p.
Opening balance on 1st July 1913. ...	4,529	10	11
Receipts during 1913-14 ...	2,960	5	0
Total ...	7,489	15	11
Expenditure during the year	2,435	2	11
Closing balance on 30th June 1914	5,054	13	0

5. *Octroi Accounts.*—The errors and defects noticed in respect of those accounts were—

(1) Certain invoices of piece-goods and cloths and counterfoil receipts for 1913-14 were not available for examination. *Vide* items 1 and 2.

(2) Duty on tobacco was levied and recovered at pies 2 per seer or at Re. 0-6-8 per maund instead of at the prescribed rate of annas 8. *Vide* item 8. The error was however rectified in 1914-15.

(3) A sum of Re. 0-4-8 as detailed below should be recovered and remitted to the Treasury for credit to the Municipal funds.

(*a*) Short collection of duty to the extent of pies 2. *Vide* item 4.

(*b*) Short remittance of collections by annas 4. *Vide* item 8.

(*c*) Reduction of pies 6 in the duty collected owing to alterations in figures of the counterfoil receipts. *Vide* item 5.

(4) Octroi Mutsaddi John Pillay had not furnished the requisite security. He was appointed to the post on 9th February 1914. *Vide* item 6.

6. *Mohatarfa Accounts.*—The demand, collection and balance of mohatarfa taxes of the Municipality for the year under audit were as noted below:—

	Rs.	a.	p.
Opening balance on 1st July 1913. ...	166	15	0
Demand for 1913-14 ...	2,008	7	6
Total	2,175	6	6
Collections during the year	2,110	3	6
Closing balance on 30th June 1914 ...	65	3	0

(7) There was a reduction of demand to the extent of 8 annas in site tax when there was no alteration of area in the land. *Vide* item 10.

7. *Acquittance Roll, Service Registers, etc.*—(1) The pay of Work Inspector Malleshiah from 1st September to 15th October 1913 amounting to Rs. 32-4-4 after deducting the money order commission of 6 annas was noted as having been remitted by money order to the Amildar of Shimoga Taluk and the receipt thereof was acknowledged by the Sheristadar of that taluk *vide* item 25. No stamped acknowledgment of the party concerned was obtained and filed.

(2) The service register of Assistant Sanitary Inspector V. N. Kurupad was not produced for examination.

In the service register of Local Fund Clerk, H. M. Krishna Rao, the entries made as regards age on entry into service were incorrect *vide* items 27 and 28. They should be rectified and attested.

(3) The Local Fund Clerk did not further insure his life on Rs. 15, the pay of his appointment, even though he was appointed as such in May 1913. *Vide* item 29.

B. SRINIVASIENGAR,
Assistant Comptroller and Officer in charge of the Local Audit Department.

W D 486- GPB—12—1-10-15

Note on the Audit of the Accounts of the Sorab Municipality for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—A. Rangasami Iyengar.

Date of Commencement of Audit.—17th June 1915.

Date of Completion of Audit.—19th June 1915.

Period Occupied.—(excepting holidays) in current audit 3 days against last audit 4 days.

The last audit ended on 15th April 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

1. *Check of Cash Balance.*—The balances of cash on hand on 19th June 1915 were as noted below which agreed with the balances shown in the Municipal and District Fund Imprest accounts.

Imprest accounts	Amount sanctioned	Balance on hand
	Rs. a. p.	Rs. a. p.
Municipal Funds	30 0 0	30 0 0
District Fund	100 0 0	80 7 0
Total ...	130 0 0	110 7 0

2. PART I.—Action taken on the last Audit.

(i) Rupees 2-6-2 retrenched in octroi accounts were recovered and remitted to the Treasury for credit to Municipal Funds. *Vide* C. No. 2—32, dated 3rd October 1914.

(ii) Notice Register was not revised so as to contain complete information required.

3. PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 11 sheets of objection statements the more important of which are dealt with below.

4. The financial condition of the Municipality was as follows.—

		Rs.	a.	p.
Opening balance	...	137	9	6
Receipts during the year	...	1,525	8	8
Total	...	1,663	2	2
Expenditure during the year	...	1,642	5	9
Closing balance ...	...	20	12	5

5. *Mohatarfa Accounts.*—(*a*) The demand, collection and balance of mohatarfa taxes during the year were as follows.—

		Rs.	a.	p.
Opening balance ...	...	425	9	4
Demand for 1913-14 ...	...	1,070	11	0
Total	...	1,196	4	4
Collections during 1913-14	...	1,185	8	4
Closing balance ...	...	319	12	0

(*b*) Khate numbers were not quoted in the Kammi jasti Register and the serial numbers of the Kammi jasti Register were not quoted in the khate as cross references for purposes of verification. *Vide* items 4 and 5.

(*c*) Out of 96 defaulter khatedars on 30th June 1914, only 47 notices were issued. *Vide* item 11.

(*d*) There were part recoveries of the arrears of taxes even after the issue of the notices and warrants which is objectionable. *Vide* item 12.

(*e*) Cart tax aggregating Rs. 11 was outstanding against certain Government officers for years together. *Vide* item 13.

6. *Pound Accounts.*—Fines realized on different heads of cattle were often entered in the pound register in lump sum instead of the fines recovered on each animal being separately shown in the pound register. *Vide* item 15.

7. *Acquittance Rolls.*—(*a*) There were delays of months together in the disbursement of pay to the establishments paid out of District Funds. *Vide* item 21.

(*b*) And undisbursed pay was retained in hand for long periods without refunding it to the Treasury by short-drawal from the next month's bills as required by rules; *e.g.*, the pay of sweeper Durga of Thattoor Union was regularly drawn month after month from July 1913 to April 1914 but disbursed only on 8th June 1914. *Vide* items 22 and 23.

(*c*) Receipt stamps were not affixed in the instances noted below for sums disbursed at one time in excess of Rs. 20.

(1) Pay of sweeper Durga of Thattoor Union for 10 months from July 1913 to April 1914.

(2) Rs. 25 disbursed as contingent charges to the Pandit of the Native Vaidyasala at Chandragutti in June 1914. *Vide* item 23.

The required receipt stamps should ow be obtained and affixed to the acquitnce roll.

B. SRINIVASA IYENGAR,

Assistant Comptroller and Officer in charge of Local Audit Department.

Note on the Audit of the accounts of the Municipality of Kallurkatte for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.— A. Rangasami Iyengar.

Date of Commencement of Audit.—4th June 1915.

Date of Completion of Audit.—8th June 1915.

Period occupied.—(excepting holidays) in current audit against last audit 4 days each.

Names of President and Vice-President who held office during the period of audit :—

Period.—During 1913-14.

Name of President.—K. Matthan, Esq., B.A.

Name of Vice-President.—Mr. S. Mohiyaddien Sheriff.

The last audit ended on 21st April 1914 and was for the period from 1st May 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balances of cash on hand on 7th June 1915 were as noted below which agreed with the balances shown in the Local Fund Imprest accounts.

Imprest accounts	Amount sanctioned	Balance on hand
	Rs.	Rs. a. p.
Municipal Funds	50	30 7 3
District Funds	100	2 6 5
Nagar Union	50	41 4 0
Total ...	200	74 1 8

PART I.—ACTION TAKEN ON THE LAST AUDIT.

2. The defective arrangement noticed in last audit of cloth bundles imported into the town being allowed to remain with the merchants pending the levy of duty has not been put a stop to. A "Dastan register" was opened from 1st July 1914,

but this is not enough. The irregular practice itself should be stopped.

PART II.—RESULT OF CURRENT AUDIT.

3. The result of current audit is embodied in the accompanying 19 sheets of objection statements, the more important of which are dealt with here.

4. The financial condition of the Municipality was as follows:—

	Rs.	a.	p.
Opening balance ...	1,422	14	3
Receipts during the year	1,114	4	8
Total ...	2,537	2	11
Expenditure during the year ...	1,075	8	7
Closing balance ...	1,461	10	4

5. *Pound Accounts.*—(*a*) The counterfoil receipt books of admission for 1913-14 were not available for examination. *Vide* Item 1.

(*b*) Pound register numbers were not quoted in the counterfoil receipts of releases. *Vide* Item 2.

(*c*) Separate pound register numbers were not given to different animals impounded. *Vide* Item. 3.

6. *Octroi Accounts.*—(1) Value of cloths was not noted in counterfoil receipts. *Vide* Item 5.

(2) The counterfoil receipt numbers were not noted in octroi register and also the weight of tobacco and value of cloths from July to the middle of November 1913 were not entered. *Vide* Item 6.

(3) The Treasury acknowledgment was for less amount in a certain instance. *Vide* Item 7.

(4) Abstracts of total remittances monthly and yearly were not prepared at the close of each month and year. *Vide* Item 8.

(5) There was a noticeable decrease of about 30 per cent in the octroi revenue during the year as per Statement I appended to this note.

7. *Mohatarfa Accounts.*—(*a*) The demand, collection and balance for 1913-1914, were as follows:—

	Rs.	a.	p.
Opening balance ...	214	0	11
Demand for 1913-14 ...	571	4	2
Total ...	815	5	1
Collections during the year	584	6	2
Closing balance ...	230	14	11

(*b*) The kammi jasti register included all items of the khate whether the tax was affected during the year or not. *Vide* Item 9.

(*c*) No money columns were provided for noting the increases and decreases of assessment. *Vide* Item 9.

(*d*) There were serious omissions of demand in the khate.

(1) Carts owned by Government officers were not taxed.

(2) Hotel and tiffin rooms were not taxed.

(*e*) Current year's taxes were recovered and adjusted, allowing the arrears of previous years to remain unadjusted. In the notices issued, the arrears of previous years were omitted to be included. *Vide* Item 11.

(1) The items outstanding on 30th June 1914 was roughly noted at the end of the khirdi and no regular bakipatti had been prepared.

(2) Two items of Rs. 3-14-0 and Rs. 7-8-0 were outstanding from a very long time against certain Government buildings.

(3) Notices were not issued to all the defaulter khatedars. *Vide* Item 12.

8. *Imprest Account.*—(1) In the counterfoil book of payees' receipts, the receipts pertaining to payments made out of District and Municipal Funds were included in one book. *Vide* Item 14. Separate books may be maintained for each of the two funds in future.

In the Taluk Board Imprest account, three items aggregating to Rs. 10-1-0 remained unrecouped from a very long time. *Vide* Item 16

B. SRINIVASA IYENGAR

Assistant Comptroller and
Officer in charge of the Local
Audit Department.

W.D. 210—GPB—17-3-15—12

Note on the audit of the Municipal Accounts of the President's Office, Tumkur.

Name of Senior Auditor—V. A. Govindaraja Mudaliar.

Name of Assistant Auditor—T. S. Somanatha Rao.

Date of commencement of audit—4-9-14.

Date of completion of audit—23-9-14.

Period occupied (excepting holidays)—16 days in current audit against 15 days in last audit.

Names of President who held office during the period of audit :—

B. J. Kumaraswami Naik, Esq., B.A.

The last audit ended on 4-12-13 and was for the period from 1st July 1912 to 30th June 1913.

The present audit is for the period from 1st July 1913 to 30th June 1914.

PART I.—Action taken on the last audit.

1. The note and objection statements sent to the President, Tumkur, with Comptroller's letter No. 6594—L. A. D. 880, dated 17th April 1914, have not been returned with replies till the date of completion of present audit.

2. The outstanding objections of last audit are embodied in the objection statement attached to this note *vide* statement No. I.

3. Cheques were issued as in previous years over the signature of the Treasury Officer for President.

4. In the case of the Regulation Municipality of Gubbi, the power to issue cheques for charges relating thereto has not yet been vested in the Sub-Division Officer who is the President of the Municipality.

5. The differences under debt head balances pointed out during last audit between the audited figures and the details available in the President's office were not reconciled and the same differences continued during 1913-14 also.

6. A contingent register as suggested in para 3 of the previous audit note has been maintained, but the same is

defective in as much as the progressive totals for the several months are not struck in it and the sanctioned budget grants not noted at the top to watch excesses, if any,—*vide* Rule 315 of the Municipal Account Manual.

PART II. Result of current audit.

The books of accounts, etc., examined were the same as in last audit.

The copies of estimates and measurement books relating to only Tumkur Town and Gubbi Municipalities were produced in time for audit and were examined.

2. The several defects observed during current audit are embodied in the objection statements hereto attached and only the more important of them are referred to in the following paragraphs.

3. *Establishment audit.*—In the Pavagada Municipality establishment in excess of the sanctioned scale under "Conservancy" was entertained without proper authority.

The amount of excess payment on this account which had to be recovered was Rs. 18-0-11. (*Vide* objection item Nos. 1 and 2.)

4. Payees receipts were wanting to the extent of Rs. 97-13-10. (*Vide* objection item Nos. 12, 13, 14 and 17.)

5. *Public works audit.*—Road materials awaiting consolidation at the end of one year were not invariably brought on the books for the subsequent year. A quantity of 2¾ cubic yards of metal and 22 cubic yards of gravel on the Balagowdanapalyam Road, which was handed over by the Revenue Inspector to Sanitary Inspector Narasimiah who failed to hand them over in his turn to the present Sanitary Inspector was lost sight of till it was pointed out at the time of audit. (*Vide* objection item No. 41.)

Another instance of this kind wherein 4 cubic yards of gravel thus lost sight of was found out in the President's office and recovery ordered from the Sanitary Inspector Narasimiah. *Vide* objection item No. 42.

6. The entering of all road materials collected and spread in the material account form in the measurement books and bringing forward the unused materials on the books of the subsequent year would act as a safe guard against such unnecessary losses.

7. Thirty-nine cubic yards of gravel collected at the cost of the Municipality were used for forming the Golf grounds in

Dobbs Bungalow by the Sanitary Inspector Narasimiah. The using of Municipal materials for private purposes was highly irregular. The value of materials was however ordered to be recovered from the Sanitary Inspector Narasimiah. (*Vide* objection item No. 40.)

8. Measurements for repairing the road in front of Mallappa's house in Tumkur Municipality were recorded twice in the measurement book and both these were initialled by the Vice-President who was the checking officer. The difference between these two measurements in respect of the quantity of sand collected and spread (which was in one case 20 cubic yards and in the other 15) was unnoticed during check measurement. However payment was made only on one of these measurements though the other remained uncancelled till the time of audit.

9. In regard to the work of fencing the Park in front of the Civil Hospital, Tumkur, the statements made by the Sanitary Inspector and Vice-President in respect of fencing wire in stock are at variance from one another. According to the Vice-President (*vide* his memo attached to the estimate) *there were 3 rolls of wire each about 200 yards long* in stock while the Sanitary Inspector remarked in the measurement book that there were only *a few old pieces* in stock or rather *a roll and a few small pieces* in stock. This requires reconciliation. (*Vide* objection No. 32.)

10. Completion bills were wanting in ten cases in respect of expenditure aggregating Rs. 966-8-2.

11. The amounts placed under objection for recovery under public works charges aggregate Rs. 2-4-9 as the result of wrong calculation.

12. *General Remarks.*—A statement of the transactions of the several Municipalities for the year 1913-14 is attached to the note. (*Vide* statement No. 2.)

13. A statement showing the debt head balances under the several heads as they stood on 30th June 1914 is also appended to the report. (*Vide* statement No. 3.)

14. The amount of cheques remaining uncashed on 30th June 1914, was Rs. 4,457-6-5.

Asst. Comptr.,
Local Audit Dept.

No. 2. Statement of the transactions of the several Municipalities of the Tumkur District during 1913-14.

Particulars	Tumkur		Maddagiri		Koratagere		Chiknayakanhalli		Sira	
	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt
1	2	3	4	5	6	7	8	9	10	11
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1913	26,415 10 3	713 6 1	3,964 1 3	5 10 0	1,325 15 5	53 13 0	2,571 6 2	49 15 0	6,584 6 5	123 9 0
Receipts during 1913-14	24,739 11 3	3,171 8 11	4,601 3 5	165 13 0	1,784 3 7	26 11 0	4,701 4 1	68 0 0	3,894 14 1	334 15 6
Total ...	51,155 5 6	3,884 15 0	8,565 4 8	160 3 0	3,110 3 0	80 8 0	7,272 10 3	18 1 0	10,479 4 6	458 8 6
Payments	20,119 1 4	2,122 15 6	2,341 8 3	161 10 0	1,359 15 7	20 6 0	3,331 8 10	47 11 0	4,055 6 10	89 2 0
Balance ...	31,036 4 2	1,761 15 6	6,223 12 5	—1 7 0	1,750 3 5	60 2 0	3,941 1 5	—29 10 0	6,423 13 8	369 6 6

No. 2.—*concld.*

Particulars	Gubbi		Tiptur		Turuvekere		Pavagada		Kunigal		Remarks
	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt	Revenue and expenditure	Debt	
	12	13	14	15	16	17	18	19	20	21	22
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Balance on 1st July 1913	2,067 7 4	—15 1 0	26,160 3 11	2,669 3 9	2,091 4 3	9 0 0	609 14 5	—10 0 0	4,015 7 5	48 3 6	The debits shown here include the adjustments made by the Comptroller and included in the accounts up to end of September 1913.
Receipts during 1913-14	4,456 11 10	168 1 0	10,082 15 2	185 14 0	1,639 15 3	88 11 6	1,210 5 8	24 5 9	3,604 7 10	272 0 4	
Total ...	6,524 3 2	153 0 0	36,243 3 1	2,855 1 9	3,731 3 6	97 11 6	1,820 4 1	14 5 9	7,619 15 3	320 3 10	
Payments	3,933 3 6	14 2 0	4,020 14 7	122 0 0	1,559 15 3	52 9 6	793 0 4	17 13 9	2,875 12 5	139 2 10	
Balance ...	2,590 15 8	138 14 0	32,222 4 6	2,733 1 9	2,171 4 3	45 2 0	1,027 3 9	—3 8 0	4,744 2 10	181 1 0	

No. 3.— Statement of public debt balances on 30th June 1914.

Taluks	Deposit			Imprest			Advances recoverable			Total			Remarks
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	
Tumkur ...	1,961	15	6	—200	0	0	.....			1,761	15	6	
Maddagiri ...	48	9	0	—50	0	0	.....			1	7	0	
Koratagere ...	80	2	0	—20	0	0	.....			60	2	0	
Chiknayakanhalli ...	20	6	0	—50	0	0	.....			29	9	0	
Sira ...	409	6	6	—40	0	0	.....			369	4	6	
Gubbi ...	208	14	0	—70	0	0	.....			138	14	0	* The credit of Rs. 876-2-9 taken in the President's Office in the accounts for June 1913 without a corresponding debit to the service head has not been taken into account in arriving at this balance. The balance under this head should be reduced by the above sum by a contra debit to the service head in the accounts for 1914-15
Tiptur ...	2,712	11	9	—70	0	0	—459	10	0	2,183	1	9	
Turuvekere ...	65	2	0	—20	0	0	.....			45	2	0	
Pavagada ...	6	8	0	10	0	0	.....			—3	8	0	
Kunigal ...	216	1	0	35	0	0	.....			181	1	0	
Total ...	5,729	11	0	965	0	0	—459	10	0	4,705	1	9	

GPB—25—12-12-14

Note on the Audit and Inspection of the Accounts of the Town Municipality of Tumkur

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Row. B.A.

Date of Commencement of Audit.—24th September 1914.

Date of Completion of Audit.—10th October 1914.

Period occupied (excepting holidays) 15 days in current audit against 20 days last audit.

Name of Vice-President.—C. Seshadri Iyengar, Esq., was the first non-official Vice-President, this appointment having been sanctioned from 1st July 1913 in G. O. No. 9681—Muni. 269-12-6, dated 7th June 1913.

The last audit ended on 24th December 1913 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Against the imprest of Rs. 200 the cash on hand on 24th September 1914 was Rs. 43-13-0 and agreed with the balance shewn in the imprest book. The difference of Rs. 156-3-0 was the expenditure incurred during August and September 1914.

Amounts due to contractors on account of conservancy cart-hire in excess of Rs. 10 continued to be paid in cash instead of in cheques though this procedure was pointed out during last audit, to be contrary to rules.

The Mysore Government buildings used partly for the Post Office and partly for residential purposes has not yet been asessed to house tax.

PART I.—Action taken on the last Audit.

1. Such of the objections raised in previous audits as remained undisposed of have been embodied in the statement appended to the note.

2. The total amount of Rs. 5-0-6 placed under objection for recovery during last audit was recovered and credited during the year 1913-14.

3. (*a*) In voucher No. 2 of November 1912 (metalling the Balanghatte karanji road) the quantity of gravel consolidated was 5 cubic yards in excess of that collected during 1912-13. Objection was accordingly raised in last audit as to when the excess was collected. (*Vide* page 8 of the objection statement for 1912-13).

The reply was that out of 104 cubic yards of metal and 94 cubic yards of gravel collected in 1911-12 only 98 cubic yards of metal and 85 cubic yards of gravel were consolidated during the year, leaving a balance of 6 cubic yards of metal and 9 cubic yards of gravel at the end of that year and the 5 cubic yards of metal consolidated in excess in this voucher formed part of this balance (*viz.*, 6 cubic yards of metal and 9 cubic yards of gravel). What became of the rest *i. e.*, the balance of 1 cubic yard of metal and 9 cubic yards of gravel which did not appear to have been consolidated subsequently nor handed over by the Revenue Inspector to the Sanitary Inspector Narasimiah who took charge from him was not explained.

(*b*) Again in respect of voucher No. 7 of January 1913 (metalling the Pindar Beedi, Samakattay road) the quantity of metal and gravel remaining undisposed of at the end of 1911-12 were $31\frac{2}{3}$ and 30 cubic yards but those shown in this voucher as consolidated were $26\frac{1}{2}$ and 33 cubic yards of metal and gravel respectively. The reply to the objection to reconcile the differences and recover the amount paid for the consolidation of the excess of 3 cubic yards in respect of gravel, was, that the difference was due to the actual measurements taken of the materials available at the spot, etc. Since the available gravel could not possibly measure more than what was said to await consolidation in the measurement book of 1911-12 and since the Sanitary Inspector was responsible for the shortage of $5\frac{1}{6}$ cubic yards of metal the amount paid for the consolidation of 3 cubic yards of gravel in excess of the quantity in the measurement book and the cost and cartage of $5\frac{1}{6}$ cubic yards of metal found short has now to be recovered from the Sanitary Inspector.

4. The difference of Rs. 74-1-2 between the balances as per Bakipatti and the Sarkar khate pointed out in para 2 of last audit was not reconciled and babwar details were not available for the balance in the Bakipatti.

5. The service register of Varadachar, Sanitary Inspector, and three sale

records not produced during last audit were not available for check this year also.

PART II.—Result of Current Audit.

1. The objections noticed in audit are embodied in the objection statements appended to this note. The important points are noted below:—

2. *Mohatarfa.*—(1) The demand, collection and balance for the year 1913-14 were as under—

	Rs.	a.	p.
Arrears on 30th June 1913 ...	1,007	8	1
Demand for 1913-14 ...	5,719	12	0
Total Demand ...	6,727	4	1
Collection ...	6,484	1	7
Balance on 30th June 1914 ...	243	2	6
Balance as per details in the Bakipatti	317	7	7
Difference	74	5	1

(Details more.)

The difference observed during last audit being Rs. 74-1-2 there has been an excess difference of Re. 0-3-11 during 1913-14 which has to be reconciled in addition to the above.

Babwar details were not given in the Bakipatti for the outstanding balance during 1913-14 also though this omission was pointed out during last audit

2. Out of the above balance of Rs. 317-7-7 a sum of Rs. 137-4-7 was shown to have been since collected and a sum of Rs. 99-13-0 said to be irrecoverable but remission list submitted to the President for only Rs. 76-5-0. The balance of Rs. 23-8-0 due in respect of 11 ~~katas~~ noted below were omitted to be included in the list.

		Rs.	a.	p.
Khate No. 215 ...	...	2	0	0
„ 1330 ...	...	7	0	0
„ 1516 ...	...	2	0	0
„ 1720 ..	..	2	0	0
„ 1730 ...	...	0	8	0
„ 1235 ...	...	1	0	0
„ 1236 ...	...	3	8	0
„ 1081 ..	...	0	8	0
„ 1856 ...	...	1	0	0
„ 3302 ...	...	1	8	0
„ 3027 ...	...	2	8	0
Total	...	23	8	0

3. Notices were not issued in 154 cases and fees of annas 9 were not recovered in two cases wherein outstanding taxes alone were recovered and the recovery of the fees is said to be under

correspondence. (One anna in respect of khate Nos. 141, 159 and 168 and 8 annas in respect of No. 851.)

3. *Octroi.*—The existence of suspicious corrections in many of the counterfoils of receipts given for the collections of Octroi was noted. *Vide* receipt number noted below :—

Receipt No	33,	dated	7-11-13
,,	44	,,	14-11-13
,,	72	,,	29-11-13
,,	2	,,	15-12-13
,,	16	,,	20-12-13
,,	6	,,	30-1-14
,,	66	,,	27-2-14

It should be laid down as an invariable rule that fresh receipts should be issued after cancellation of the incorrect ones in cases where corrections are found necessary in the receipts once written up.

4. *Pounds.*—A short collection of two annas observed has been objected to for recovery in item No. 1 of objection statement.

5. *Kerosine oil Account.*—This account was being checked by the Revenue Inspector and the Vice-President from time to time as suggested in the previous audit note. The stock on hand was checked by the Local Fund Clerk of the President's office on 4th February 1914 and the quantity of oil on hand was 8¾ drs. less than the book balance. The cost of this quantity together with the cost of 20 drams of oil left out of account, was objected to for recovery.

Vide objection item No. 5.

6. *General Remarks.*—The undersigned inspected the accounts of the Municipality in the first week of June 1915.

(1) The house and mohatarfa taxes were revised in 1914-15 so as to result in an increase of Rs. 1,022-13-9 as under :—

	1913-14			1914-15			Difference		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Taxes on buildings and lands.	2,099 380	0 0	0 3	3,941 289	0 14	0 0	722	13	9
Shop tax ...	1,714	0	0	2,008	0	0	294	0	0
Mill ...	32	0	0	38	0	0	6	0	0
Total ...	5,225	0	3	6,247	14	0	1,022	13	9

Vehicle tax was introduced in 1914-15 under Government Order No. 11339—Ml. 69-13-73, dated 11th May 1914, and the system of numbering carts and

recovering the taxes thereon in advance was also given effect to with the result that the collections under cart and vehicle taxes up to end of April 1915 was Rs. 867-8-0 against the budget estimate of Rs. 450.

(2) *Mohatarfa Taxes.*—The Assessment Register was in manuscript. The printed forms received had not yet been brought into use.

The following were some of the defects noticed in the Assessment Register.

No. 974—Old No. 941. House tax Re. 1 reduced to Re. 0-8-0 apparently as vacant site tax. But area was not measured and entered. No remarks were made to show that the house was in ruins.

No. 990.—Old No. 967. House tax Re. 1, market value entered as Rs. 150 raised to Rs. 200, with tax at Re. 1. But the entries have been altered (subsequently) to vacant site tax Re. 0-8-0, area 294 sq. yds; the alteration does not bear initials of the Vice-President.

(3) *P. W. Charges.*—No work register in Form 72 M.A.M. was maintained in 1914-15 also. The new forms of registers which have been supplied, would, it was stated, be brought into use in 1915-16.

(4) *Treasury Pass Book.*—This has been maintained. The book was however being sent to Treasury for being written up only once a month instead of at least twice a month.

Amounts collected by the Tumkur Town Municipality and remitted to the District Treasury at that place for credit to the Municipal Funds of other Municipalities were wrongly included by the Treasury in the Pass Book of the Town Municipality.

(5) *Cash Book.*—This was apparently not written up day by day, as the transactions took place. In the chellan and voucher, numbers were not noted serially for each month. In many instances full details were not given for the miscellaneous items of receipts entered in the cash book. Several items of deposits tendered by different persons were entered both in the cash book and the Deposit Register as a single item of receipt. In the Deposit Register such amounts were entered in the name of the Vice-President instead of in the name of the person actually tendering the amount.

(6) *Deposit Register.*—A plus and minus memo of the Deposit transactions was not struck monthly in the Deposit Register and as a result of it, information

was not readily available as to the total outstandings on any date.

(7) *Register of Sites.*—In the extension.

The entries in the old register which were in a confused state have recently been transcribed into a new register. From an examination of the new register, the defects noticed were as under :—

(i) Full information regarding the date of sale of each site, the amount realised and the date of recovery was not available.

(ii) Against the sites Nos. 85, 86 and 87, a remark is made to the effect that the ruts have been filled in and given to Subbarayappa and there is nothing to indicate that the value thereof was recovered.

(iii) A bungalow site No. 8 measuring 378 x 70 is remarked to have been given to Mr. Syed Taj Peeran for an upset price of Rs. 200 in June 1912. Whether the amount in question was received and brought on the accounts of the Municipality was not pointed out.

(iv) Against some sites of Bule Gowlannapalya, remark is made to the effect that they were given away in exchange for the lands acquired from some residents of the town. When, where, and for what purposes the lands were acquired have not been duly noted against the sites given in exchange.

Site No. 21 is shown to have been given recently to Baba Sab; when the value was recovered has not been noted.

It is desirable that receipts granted for the amounts paid should be granted in forms having counterfoils so that the entries in the receipt margins may form the basis for checking the credits in the cash book.

(8) *Octroi.*—The Railway receipt and Invoice Register suggested during last inspection was not maintained. The Bonded Warehouse was not formally opened. A building had, it was stated, been taken on a monthly rent of Rs.....for the purpose. A manuscript register was kept to note the bundles of cloths received at the Office of the Vice-President. From an examination of the register it was found that there were several bundles lying at the

office premises without being noted in the above register on 3rd June 1915.

For articles exported, the system of granting passes as suggested during the last inspection was introduced in May 1914, but the same was given up in March 1915.

(9) *Petty Cash Book.*—With a view to enable the President to exercise efficient check over the transactions of the Municipality so far as the amounts drawn on establishment bills and cheques are concerned it is desirable that the Vice-President should when submitting the monthly accounts send also an extract of the Petty Cash Book supported by the necessary vouchers for payments made and charged in accounts.

As pointed out in previous audit notes the work of the President of the headquarter Municipality continued to be done in the Local Fund Branch of the Deputy Commissioner's Office, a President's office as distinguished from Vice-President's or Municipal Office was maintained, and there was no improvement in the matter of avoiding correspondence (unnecessary) between the President and the Vice-President and duplication of work in maintaining two sets of registers in the two offices.

B. SREENIVASA IYENGAR,

Assistant Comptroller and officer in charge, Local Audit Department

GPB—6—25-7-15

Note on the Audit of the Tiptur Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—17th March 1915.

Date of Completion of Audit.—21st March 1915.

Period occupied (excepting holidays).—Four days in current audit against last audit 4 days.

Period.	Names of Vice-Presidents.
1-7-1913 to 18-11-1913	H. Basavaraj Urs, Esq.
19-11-1913 to 18-2-1914	S. Seetharamiah, Esq., B.A.
19-2-1914 to 26-5-1914	B. Krishna Rao, Esq.
27-5-1914 to 4-6-1914	B. Srinivasa Rao, Esq. (Sheristadar in charge).
5-6-1914 to 30-6-1914	B. Krishna Rao, Esq.

Check of Cash Balance—Out of the imprest of Rs. 70 sanctioned for this Municipality the cash on hand on 17th March 1915 was Rs. 11-5-6 and the balance of Rs. 58-10-6 was spent as follows:—

Date	Particulars	Amount
		Rs. a. p.
19th May 1910 ...	Spent in connection with the prayers offered in temples on the occasion of the funeral of Edward VII	5 6 0
17th February 1914.	Fitting up latrine in Tiptur Town	8 4 6
13th February 1915.	Municipal cart-hire ...	45 0 0
	Total ...	58 10 6

The first two items, noticed in last audit also, require very early adjustment.

PART I. Action taken on the last Audit.

(1) The audit note and the objection statements relating to the previous audit were not returned by the President with replies.

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(2) The suggestions offered during last audit regarding the establishment of an ookad at the Railway station to prevent possibilities of smuggling dutiable articles and the maintenance of a Railway receipt and Invoice Register have not yet received any attention at the hands of the Municipal Council.

(3) A petty cash book as distinguished from the general cash book has been separately maintained since April 1914: but it is necessary that the clear instructions given in the last audit note (para 6) should be strictly observed.

(4) Action was taken by the Municipal Council regarding the investment of its surplus funds and orders of Government in the matter were passed in Government Order No. 6535-6—Ml. 97-14-6, dated 23rd February 1915.

PART II.—Result of current Audit.

(1) The irregularities noticed in audit are embodied in the objection statements attached to the note.

(2) The financial condition of the Municipality stood as follows:—

	Revenue	Public debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance	25,172 2 11	3,756 3 9	28,929 7 8
Receipts during 1913-14	10,122 7 1	193 11 0	10,315 5 1
Total	35,294 10 0	3,949 15 9	39,244 12 9
Expenditure	4,951 10 7	213 3 0	1,165 14 7
Balance on 31st March 1914	30,343 12 5	4,735 1 9	34,978 14 2

(3) *Octroi.*—It has been the practice in this Municipality to levy octroi on piece-goods only on the net value as shown in the merchant's invoice after deducting discount, etc. This is not the correct procedure. As the duty is levied on the value of the goods at the place of import, duty has to be levied on something more than the gross value entered against each individual piece of cloth. In any case deduction on account discount should not be allowed. There has thus been a loss of revenue under this head to the extent of Rs. 61-2-9 occasioned by the non-collection of octroi on the amounts allowed to the importers as discount.

(*Vide* objection statement pages 1-19.)

(4) *Mohatarfa.*—The demand, collection and balance during the year under audit was as under :—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	159	4	0
Demand for the year including notice fees, etc. ...	3,594	0	6
Total ...	3,743	4	6
Collections ...	3,595	12	6
Balance on 30th June 1914	147	8	0

Of this amount Rs. 144 was remitted in the current year by Government in their Order No. 2344-5—Ml. 373-13-4, dated 23rd September 1914, and Rs. 2-8-0 have been collected, leaving a small balance of Re. 1 at the time of audit.

(5) *Deposit.*—The deposit balance as per details available both in the President's and Vice-President's offices on 30th June 1914 was Rs. 65-8-0, but that shown in the Comptroller's monthly reviewed accounts was Rs. 2,712-11-9. The difference of Rs. 2,647-3-9 has to be reconciled in communication with the Comptroller.

(6) (1) *General.*—The revision of assessment as ordered in Government Order No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been effected during 1913-14.

(2) The rules contained in the Municipal Account Manual were not brought into force on the alleged ground of non-receipt of the required printed forms from the Superintendent, Government Press, in time.

Assistant Comptroller and Officer in Charge of L. A. D.

GPB—12—24-5-15

Note on the Audit of the Chiknayakanhalli Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B. A.

Date of Commencement of Audit.—23rd March 1915.

Date of Completion of Audit.—27th March 1915.

Period occupied (excluding holidays).—Five days in current audit against last audit 7 days.

The last audit ended on 26th May 1914, and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 50 sanctioned for this Municipality. The cash on hand on 23rd March 1915 was Rs. 21-4-0, and agreed with the balance shown in the Imprest Book. The balance of Rs. 28-12-0 was accounted for as follows—

		Rs.	a.	p.
30—9—1907 ...	For purchasing rat traps	8	12	0
20—3—1915 ...	Advanced to lighting contractor	20	0	0
	Total ...	28	12	0

The 1st item requires early adjustment.

PART I.—Action taken on the last Audit.

1. The audit note and objection statement for 1911-12 and 1912-13 received with the President's No. 197, dated 27th June 1914, were pending disposal in the Vice-President's office at the time of audit.

The amounts objected to in previous audits were recovered as follows :—

(1) Rs. 1-1-6 recovered and audited on 5th January 1915.

(2) Rs. 0-8-0 recovered and audited on 26th June 1914.

But the following two amounts objected to for recovery during the audit of 1910-11 are still pending recovery.

Re. 1-0-0 omission in the duty on kerosene oil.

Rs. 1-9-1 excess payments to contractors.

No Public Works "C. Register" was maintained during 1913-14.

The cash book was not balanced at the close of each month nor was it signed by the Vice-President.

The collection and disbursement of cess of one anna on every rupee of house tax continued during the year under audit

No orders of Government regularising this collection and payment was obtained nor were the transactions brought on the deposit account as suggested in para 3 of last audit note.

PART II.—Result of the Current Audit.

1. The objections noticed in audit are embodied in the objection statements attached to the note.

2. The following was the financial condition of the Municipality during the year under audit.

	Revenue fund	Public debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913	2,571 8 2	-49 13 0	2,521 7 2
Receipt ..	4,737 14 3	78 0 0	4,865 14 3
Total ...	7,309 4 5	28 1 0	7,327 5 5
Expenditure ..	3,331 8 13	47 13 9	3,379 2 10
Balance on 30th June 1914.	3,977 11 7	—29 9 0	3,948 2 7

3. *Octroi.*—Re. 0-0-4 was objected to for recovery being the short collection and remittance noticed in the course of audit. In almost all the counterfoils of receipts the dates and the amounts recovered were observed to have been written first in pencil and then inked. It was explained that the foils to be issued to parties were first written up and handed over to them and that only the date of issue and the amount recovered was entered in the counterfoil in pencil. And that the other entries were then

filled up and the pencil entries originally made inked. This practice is irregular, and should be immediately changed. The counterfoil should be first written up completely and the foil should be its true copy for otherwise a wide door will for obvious reasons be opened for speculation.

4. *Mohatarfa.*—The demand, collection and balance during the year under audit were as under: —

Arrears on 1st July 1913	...	605 4 0	
Demand including excess collection, notice fee, etc.	...	2,562 13 4	
Total	...	3,168 1 4	
Collection	...	2,775 14 8	
Balance on 30th June 1914	...	392 2 8	

No tax appears to have been levied on Barr huts in the year 1912-13 and 1913.

14. The omission should be rectified. In fact the credits obtained in respect of the tax due for the previous years through the Comptroller by adjustment have not been brought on the mohatarfa books of the Municipality.

Vide objection item No. 1.

5. *Deposit.*—The difference of one anna observed between the deposit balance on 30th June 1913 as per Deposit Register of the Vice-President's office and that in the reviewed accounts for June 1913, continued to exist at the end of 1913-14 also. This needs reconciliation in communication with the Comptroller.

6. *Cash Book,*—(1) Details of expenditure were not entered in the Cash Book from July 1913 to April 1914.

The Cash Book has not been signed at the close of each month but each item of receipt has been initialled by the Vice-President.

(2) The several adjustments noted in the reviewed monthly acccounts have not been noted from October to January 1914.

7. *General.*—(1) The revision of assessment ordered in G. O. No. 1872-9—Mil. 124-14, dated 19th August 1914, is said to be under preparation.

2. The Municipal Account Manual was not brought into force during 1913-14.

Assistant Comptroller and Officer in charge of Local Audit Dept.

GPB—12—24-5-15

Note on the Audit of the Accounts of the Gubbi Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit—2nd April 1915.

Date of Completion of Audit—5th April 1915.

Period occupied (excepting holidays).—4 days in current audit against last audit 4 days.

Period	Name of Vice-President
1st July 1913 to 30th June 1914	T. Swaminatha Rao, Esq., B.A.

The last audit ended on 8th May 1914, and was for the period from June 1911 to June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 70, sanctioned for this Municipality the cash on hand on 3rd April 1915 was Rs. 67-10-0 and agreed with the balance shewn in Imprest book. The difference of Rs. 2-6-0 was accounted for as follows:—

	Rs.	a.	p.
28th November 1912.			
Balance ofadvance paid for Service Register	1	14	0
29th March 1915.			
Reward paid for killing snakes ...	0	8	0
Total ...	2	6	0

PART I.—Action taken on the Last Audit.

1. A statement of outstanding items of objections raised during examination of the accounts for 1912-13 has been appended to the note.

The omission to recover notice fees in several instances pointed out during last audit remained unrectified.

2. The system of granting receipts to the tax payers in forms having counterfoils has not yet been introduced.

3. A register of Railway receipt and invoice has been maintained from July 1914, only in respect of cloth, but not for kerosene oil, the other article on which octroi duty is leviable in this Municipality.

4. Exemptions of house-tax continued to be allowed to the headmen of some communities and also to some Kulavadits, Totis and Nirgantis belonging to village service. No authority was produced for such exemption.

5. Lists of houses in the four suburban villages, *viz.*, Herur, Chikanahalli, Naduvanapalya, Kadapalya included in the town but remaining unassesed prepared by the shanbhog were not brought on the mohatarfa books. Delay in so doing means loss to the Municipality.

6. The difference of Rs. 54-15-0 between the opening balance under debt head for 1911-12, and closing balance for 1910-11 as entered in the monthly account for June 1911 in respect of which reference was made by the Vice-President to the President in No. 91, dated 6th September 1914 remained unadjusted.

PART II.—Result of Current Audit.

1. The several objections noticed in audit have been embodied in the objection statement attached to the note.

There were several cases of short collections of fines, etc., made by the pound-keeper involving a loss of Rs. 4-11-0 to the Municipality which should be recouped.

2. The financial condition of the Municipality during the year under audit stood as follows.—

—	Revenue fund	Public debt	Balance
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913 ...	2,007 7 4	—15 1 0	2,052 6 4
Receipts ...	4,483 7 5	103 1 0	4,657 8 5
Total ...	6,556 14 9	151 0 0	6,709 14 9
Expenditure ...	4,087 12 7	14 2 0	4,101 14 7
Balance on 30th June 1914 ...	2,469 2 2	138 14 0	2,608 0 2

3. *Pounds.*—The following defects were observed in the course of the examination of the pound account were—

(1) Discrepancies in the number and description of cattle as entered in the

counterfoils of the impounding receipts and has entered in the Pound Register.

Vide objection item Nos. 1, 3 and 5.

(2) No description of the cattle impounded was given in the counterfoil of impounding receipt.

Vide objection Nos. 6 and 8.

(3) The signatures of the releasers of cattle or the thumb impressions in the case of illiterate persons were not taken in the register for the release of cattle.

(4) The fine recovered in respect of goats and kids has not been uniform. In some cases it was recovered at Re. 0-1-6, in others at Re. 0-1-0, while in some cases Re. 0-0-6 and Re. 0-0-9 were also recovered. The short collection of Rs. 3-0-6 has been objected to for recovery in objection item Nos. 11, 12, 13 and 14.

(5) In one case the original entry of ಐನು in receipt No. 16, dated 4th September 1913, has been altered into ಐನುಎಣಕರ by adding ಎಣಕರ and 2 annas has been objected to for recovery in this connection.

Vide objection No. 4.

4. *Mohatarfa.*—(1) The demand collection and balance under this head during the period under audit were as under.—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	411	1	0
Demand including excess collection Re. 0-8-0 and Re. 0-1-4 interest, Rs. 2-8-0, notice fees.	2,709	5	4
Total ...	3,120	6	4
Collection ...	2,702	5	4
Balance on 30 June 1914 ...	418	1	0

Of this balance Rs. 13-4-0 has been recommended for remission and Rs. 352-1-0 have been collected up to date of audit, leaving a balance of Rs. 52-12-0 still outstanding.

(2) In the current year's kiridi (1914-15) a sum of Rs. 49-6-0 was shown as collection made on 2 days, *viz.*, 1st and 2nd April 1915 just prior to audit while the collections during the month of February and March 1915, were only Rs. 4-8-0 and 4 respectively. On this fact being noticed by the Assistant Comptroller, Mr. B. Srinivasa Iyengar, during his visit of inspection the Shanbhog admitted that most of the items included in the above sum of Rs. 49-6-0 as entered in the kiridi in the 1st and 2nd April 1915 were in settlement of the amounts due by the Shanbhog to

the tax payers on account of articles purchased from the merchants, etc., and that the recoverable arrears were reduced in view of the audit of the accounts.

(3) In the absence of the system of issuing counterfoil receipts for taxes collected it is not possible to find the amount collected from the tax payers have been properly brought to account on the actual dates of collection.

(4) Also against the current demand of Rs. 2,709 only Rs. 676-15-0 has been shown as collected in two instalments in February and March. The Vice-President would do well to have the original pattas of tax payers examined to see whether all the collection made are properly brought to account.

(5) The khata for 1914-15 had not been written up till April 1915. It was also noticed that as pointed out in objection statement 16, the accounts originally entered in the khiradi were subsequently altered into reduced figures.

(6) *Notice Register.*—Of the 37 notices issued, further action was taken only in respect of 20 cases by the issue of orders for the distraint but the warrants were all pending execution with the shekdar.

5. *Public Works.*—A Public Works Register in Local Fund Form No. 11 was maintained, but no "C" Register showing the name of work, details of estimates sanctioned quantity and rate was kept.

6. *Stock Account.*—No stock account of tools and plant was maintained.

7. *General.*—The revision of assessment on houses and buildings as ordered in Government Order No. 1892-9—Ml. 124-14-1, dated 19th August 1914, has not been done.

(2) The rules in the Municipal Account Manual were not brought into force nor the several forms and registers received from the Press brought into use.

B. SRINIVASIENGAR,
Asisstant Comptroller,
and Officer in charge of L. A. D.

GPB—12—22-5-15

Rev Copy

Note on the Audit of the Accounts of the Turuvekere Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T S. Somanatha Rao, B.A.

Date of Commencement of Audit.—29th March 1914.

Date of Completion of Audit.—1st April 1914.

Period occupied (excepting holidays).—4 days in current audit against 3 in last audit.

Period.	Name of Vice-President
1st July 1913 to 30th June 1914	S. Seetharamaiya, Esq., B.A.

The last audit ended on 30th May 1914, and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

1. *Check of cash balance.*—Out of the imprest of Rs. 20 sanctioned for this Municipality the cash on hand on 29th March 1915 was Rs. 11-6-0 and it agreed with the balance shown in the imprest book. The balance of Rs. 8-10-0 was the amount paid so far back as 21st December 1909, towards the cost, etc., of lanterns purchased and the bill sent to the President with No. 16, dated 5th January 1910, for recoupment was said to have not been received back in spite of reminders issued on 27th July 1913, 2nd February 1914 and 1st July 1914.

PART I.—Action taken on last audit.

2. A Stock Register of the receipt forms and a General Cash Book to record the daily transactions of the Municipality were opened from 30th May 1914, the date of close of last audit.

(2) A monthly demand, collection and balance statement, is also being prepared in the Vice-President's Office from 1st July 1914, agreeably to the suggestion in para 5 of Part I of last audit.

(3) But duplicate pattis were wanting this year also in support of the octroi recovered on cloth.

PART II.—RESULT OF CURRENT AUDIT.

3. (1) The irregularities and defects noticed in the course of audit have been brought on the objection statement attached to the note.

(2) The following shows the financial condition of the Municipality during 1913-14.

	Revenue head	Public debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance ..	2,091 4 3	9 0 0	2,100 4 3
Receipts during 1913-14	1,644 12 4	88 11 6	1,733 7 10
Total ...	3,736 0 7	97 11 6	3,833 12 1
Expenditure ...	1,559 15 3	52 9 6	1,612 8 9
Closing balance ...	2,176 1 4	45 2 0	2,221 3 4

4. *Octroi.*—Rupee 0-2-0 was objected to for recovery as a result of corrections in two counterfoil receipts which reduced their amounts by one anna in each case. Other corrections in the amounts and the names of articles were also observed. It is wise to make it a rule that no alteration or addition shall be made in a receipt form after once it has been made out. If any amendment is necessary, the incorrect receipt should be cancelled and replaced and a new receipt given. The object of this rule is obvious. If this is invariably adopted a loop hole for fraud is closed, for alterations in receipts are always unsatisfactory, especially when the correction reduces the amount of the receipt. The additional labour involved in cancelling the incorrect receipt and writing a fresh one is worth taking.

5. *Mohatalfa.*—The demand, collection and balance for the year under audit were as under:—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	10	14	0
Demand as per previous year	884	0	0
Decrease during the year ...	37	10	0
Total ...	846	6	0
Increase	65	8	0
Notice fees and interest ...	1	4	0
Total ...	913	2	0

		Rs.	a.	p.
Sale of stones	...	11	14	0
Sale of manure	...	34	0	0
Local Fund cess	...	0	2	6
Total demand for 1913-14	...	959	2	6
Total	...	970	0	6
Collections	...	906	14	6
Balance on 30th June 1914	...	63	2	0

Of this balance Rs. 53-6-0 have been collected up to the date of audit, and Rs. 7-12-0 was recommended to Government for remission in President's No. $\frac{532}{711}$, dated 18th May 1913, leaving a small balance of Rs. 2; for this also, a notice is said to have been sent to Tiptur for service to the Khatedar.

(2) Orders for the transfers of khates in two cases were not produced; nor were these transfers attested in the khate.

(3) Sale amounts of manure and old stones were brought on the mohatarfa accounts. These items of miscellaneous revenue, may be brought on a Miscellaneous Demand Register.

6. *Deposit.*—The balance under this head, as entered in the Deposit Register, was Rs. 76 against Rs. 65-2-0 appearing in the accounts for June 1914. The difference of Rs. 10-14-0 was due to (1) the omission to note in the Deposit Register the repayment of one item of rupees 12-12-0 in October 1913, and (2) the omission to take into consideration the credit of Rs. 1-14-0 under this head in February 1914 in the preparation of the plus and minus memo, for that month. Necessary corrections may now be made in the Deposit Register and the correct balance brought forward in the accounts for 1913-14.

7. *General.*—The revision of assessment ordered to be made in Government Order No. 1892-9—Ml. 124-14-1, dated 19th August 1914, has not yet been effected in this municipality.

(2) The adjustments and alterations made in the reviewed monthly accounts for October 1913 to March 1914 were not incorporated in the office copies of the accounts for those months.

(3) The Municipal Account Manual was not brought into force during 1913-14.

B. SREENIVASA IYENGAR,
Assistant Comptroller and
Officer in Charge of Local Audit

GPB -12—22-5-15

Note on the Audit of the Sira Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit.—21st April 1915.

Date of completion of audit.—24th April 1915.

Period occupied (excepting holidays).—4 days in current audit against last audit 4 days.

Period	Name of Vice-Presidents
1-7-13 to 7-2-14	... T. Abdul Khader, Esq., B.A.
8-2-14 to 2-3-14	... S. K. Venkatasawmy Iyer, Esq., (Sheristadar in charge.)
3-3-15 to 30-6-14	... N. Sreenivasa Rao, Esq.

The last audit ended on 18th May 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.

There was no cash on hand on 21st April 1915, the whole imprest of Rs. 40 sanctioned for this Municipality having been spent as follows :—

		Rs.	a.	p.
June 1914.	For putting pulleys to Badari Bhavi ...	3	8	0
November 1914.	For putting pulleys to Ladapuri Bhavi	1	8	0
		5	0	0
4th March 1915.	Charges for remitting treasure to State Huzur Treasury ...	35	0	0
	Total ...	40	0	0

The utilisation of Municipal imprest for the last purpose was irregular.

PART I.

Action taken on the last Audit.

(1) Credit of the balance of notice fee of 4 annas recoverable and referred to on page 2 of the last audit note was not pointed out. (Item relating to the audit of 1910-11.)

(2) Sanction of Government for regularising the collection of cess of one anna in the rupee to remunerate the talwars

employed on collection work was not observed. The subject was however discussed at the Municipal Council at their meeting on 13th March 1915. The collections made subsequent to the date of last audit are being kept on the Municipal deposit and paid to the talwars on obtaining orders from the President.

(3) The sum of Rs. 16-1-2 remaining undisbursed at the Taluk office out of accounts finally charged to the Municipality or District Fund and pointed out in the previous audit was not delivered to the proper parties or refunded to the treasury. How and where the money was kept and who was responsible for it was not investigated and determined. Immediate action is necessary.

(4) No intimation regarding the adjustment of Rs. 4 on account of Barr lists for 1912-13 has been received from the President's Office though a reference was made by the Vice-President in No. 317, dated 7th April 1914.

PART II.

Results of Current Audit.

8. The financial condition of this Municipality during the year under audit was as follows:—

	Municipal Fund	Public Debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913 ...	6,[illegible] 7 5	138 9 0	6,[illegible] 7 5
Receipts ...	8,227 15 2	334 15 6	4,[illegible] 14 2
Total ...	14,[illegible] 5 8	473 8 6	10,[illegible] 4 7
Expenditure ...	4,[illegible] 11 10	89 2 0	4,147 [illegible]
Balance on 30th June 1914 ...	8,454 6 10	383 6 6	6,[illegible] 1 1

4. *Octroi.*—(1) Instances were observed wherein the amounts originally entered were subsequently corrected to reduced ones involving a loss of Rs. 2-1-2 which has been objected to for recovery.

Similar corrections in the quantity of the dutiable articles resulted in a loss of Re. 0-10-4 which has been objected to in item No. 7 of the objection statement.

In such cases the incorrect receipt should be cancelled and a fresh one written in its place.

(2) In certain receipts, the names of articles on which Octroi was recovered was not given.

In one case the quantity of dutiable article imported was not mentioned in the counterfoil.

(3) In this Municipality as in many others, the discount allowed to importers is being deducted from the gross value of the goods and octroi recovered on the net amount. Since the value of the individual cloths is not reduced by the discount so allowed; and octroi is leviable on the value of the goods at the place of import, the deduction of the discount from the gross amount on which octroi should be levied is not proper and Rs. 3-0-10 foregone by the Municipality by reason of this omission has been objected to for recovery in item No. 10 of the objection statement.

5. *Mohatarfa.*—The demand, collection and balance under this head was as follows:—

	Santhepete	Sira (proper)
	Rs. a. p.	Rs. a. p.
Arrears on 1st July 1913 ...	6 8 0	302 1 10
Demand for 1913-14 including excess collection, etc.	144 9 4	2,368 3 4
Total ...	151 1 4	2,670 5 2
Collections	143 1 4	2,278 15 8
Balance on 30th June 1914 ..	8 0 0	398 5 6

Of the balance of Rs. 398-5-6 outstanding against Sira proper, Rs. 195-12-8 were collected during the current year up to the date of audit.

6. Sale records were wanting in many cases. (*Vide* objection item No. 11.) These may be caused to be properly arranged and preserved to avoid this objection recurring year after year.

7. *Site register.*—This register is not being properly maintained and the information contained therein was about the receipt of the several applications with their disposal noted only in some cases.

8. *Deposit.*—The difference of Rs. 125-9-0 under debt head on 1st July 1913 pointed in the last audit (objection statement, page 13) has not been reconciled. A reference regarding the above was said to have been made by the Vice-President in No. 319, dated 12th February 1915 and no reply is stated to have been received from the President up to the date of audit.

9. *Petty cash book, District Funds.*—The undisbursed cash on hand on 21st April 1915 was Rs. 27-2-11 against the balance of Rs. 26-7-2 remaining undisbursed as per petty cash book. The difference of Re. 0-11-9 which is said to continue from 1909 should be refunded to Treasury.

10. *General.*—(1) The revision of assessment on houses and buildings ordered in G. O. No. 1872-9—Mi. 124-14-1, dated 19th August 1914, was not effected.

B. SREENIVASA IYENGAR,

Assistant Comptroller and officer in charge, Local Audit Department.

GPB—12—8-7-15

Note on the Audit of the Maddagiri Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Moodr.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B. A.

Date of Commencement of Audit.—17th April 1915.

Date of Completion of Audit.—19th April 1915.

Period occupied (excepting holidays).—3 days in current audit against last audit 2 days.

Period.—1st July 1913 to 30th June 1914.

Name of Vice-President.—H. P. Gangadharappa, Esq., B. A.

The last audit ended on 14th May 1914, and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Of the imprest of Rs. 50, the cash on hand on 17th April 1915 was Rs. 23-9-9.

The balance of Rs. 26-6-3 was accounted for as follows:—

		Rs.	as.	p.
9-12-1998.	Head Office contingent expenses as per President's No. 164, dated 7th December 1898.	2	0	0
20-3-1901.	Railway fare, etc., paid for the lanterns received from Madras.	10	0	0
15-5-1901.	Advanced to the Tank Inspector Lakshimi Narasappa for fetching the lanterns from Tumkur.	5	0	0
18-12-1901.	Octroi contingencies for October and November 1901 paid to Shanbhog Putta Hariappa.	1	0	0
21-7-1913.	Pound commission paid to pound keeper.	7	6	3
6-3-1915.	Reward for killing snakes.	0	8	0
31-3-1915.	Do	0	8	0
	Total	26	6	3

All the items except the last two are pending adjustment for a long time.

PART I.—Action taken on the last Audit.

1. The audit note and objection statements relating to the period of

1911-12 and 1912-13 were returned to the Comptroller with replies in President's No. 634, dated 21st October 1914.

2. The omission noticed in last audit regarding the non-recovery of octroi on goods bearing the seal of other Municipalities even when not accompanied by the required certificate from those Municipalities and when the goods were brought into the Municipal limits after the expiration of three months from the date of payment of such octroi, has been since rectified.

3. The service registers of Syed Mohideen Binturi and peon Manjan Sab have not been posted up to date. Necessary steps should be taken to remedy this defect as the omission may affect the pension of these officials.

4. The sale records etc., not produced during last audit, were not available this year also and these have accordingly been brought on the outstanding list of objections.

PART II.—Result of Current Audit.

1. The defects, etc., noticed in audit are noted in the objection statements attached to the note.

2. The financial condition of the Municipality for 1913-14 was as follows:—

	Revenue fund			Public debt			Total		
	Rs.	as.	p.	Rs.	as.	p.	Rs.	as.	p.
Opening balance on 1st July 1913 ...	3,264	1	3	−5	10	0	3,958	7	3
Receipts ...	4,625	5	6	165	13	0	4,791	2	6
Total ...	8,589	6	9	160	3	0	8,749	9	9
Expenditure ...	2,341	8	3	161	10	0	2,503	2	3
Balance on 30th June 1914. ...	6,247	14	6	−1	7	0	6,246	7	6

(1) *Molatoxfu.*—The demand, collection and balance for the period under audit were as follows:—

	Rs	as.	p.
Arrears on 1st July 1913	439	8	9
Demand for 1913-14	1,883	4	0
	2,322	12	9
Tahsil Leam	11	4	8
	2,334	3	5
Collection	1,912	3	8
Balance on 30th June 1914 ...	392	0	9

Of this balance, Rs. 299-12-0 were collected in the current year till the date

of audit, leaving Rs. 92-4-0 still outstanding. Notices were found to have been issued to recover most of this balance.

(2) There were many corrections in the amounts entered in the khiridee, involving in many cases reductions of the amounts originally entered.

(1) *Imprest.*—In the course of the examination of the Imprest Book it was observed that in almost all cases the date on which the expenditure was incurred, as shown in the counterfoil receipt, was different from that on which the amounts were charged in the Imprest Book. This requires explanation.

Vide objection Nos. 2, 3, 4 and 5.

(2) In one case there was no counterfoil receipt corresponding to a debit of 6 annas on account of reward for killing snakes on 29th June 1914 in the Imprest Book. But the amount was subsequently brought on the credit side on 27th November 1914. Why the debit was cancelled and the credit was taken after the lapse of about five months was not explained.

Vide objection No. 6.

5. *Deposit.*—There is a difference of Rs. 15-9-0 between the details of balances available in the Vice-President's office and the balance in the monthly reviewed accounts for June 1914.

This should be remedied in communication with the Comptroller.

6. The following sale records were not produced during audit.

		Rs.	as.	p.
(1)	January 1914—sale of lands and produce of land.	4	11	10
(2)	December 1913 do	33	11	0
(3)	December 1913 do under (*c*) other items	1	13	6
(4)	June 1914—sale of slaughter house.	33	0	0

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1. *General.*—The revision of assessment on houses and buildings as ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, was not effected.

2. The Municipal Account Manual was not brought into force till the close of audit.

B. SRINIVASA IYENGAR,
Assistant Comptroller and officer in charge, Local Audit Department.

GPB—12-29-6-15

Note on the Audit of the Kunigal Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraja Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—7th April 1915.

Date of Completion of Audit.—10th April 1915.

Period occupied (excepting holidays).—Four days in current audit against last audit 7 days.

Period	Name of Vice-President
1-7-1913 to 30-6-1914	T. Hanumantha Rao, Esq., B.A., B.L.

The last audit ended on 7th June 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 35 sanctioned for this Municipality, the cash on hand on 7th April 1915 was Rs. 33 and agreed with the balance shown in the imprest book. The difference of Rs. 2 was spent as follows:—

		Rs.	a.	p.
11-8-14	Removing silt in the town tank and taluk musafirkhana wells ...	1	8	0
23-2-15	Advanced to one patient bitten by a rabid dog ...	0	8	0
		2	0	0

Petty Cash Book.—The balance of undisbursed amounts on 7th April 1915 as per this book was Rs. 29-10-0 and this was included in Rs. 59-10-0 credited in the Amanath book kept in the Treasury.

PART I.—Action taken on the last Audit.

(1) The objection statement relating to the audit of the accounts for 1911-12 and 1912-13 was returned with replies to the President in No. 310, dated 22nd March 1915, but the audit note was retained in the Vice-President's office.

Such of the items in the objection statement as remained undisposed of have been brought on the statement attached to this note for needful action being taken at an early date.

(2) No separate register was maintained during the current year also for remitting the amounts of sale proceeds of cattle and credit certificates continued to be obtained on the individual records themselves.

(3) The annual adjustments made by the President's office during 1913-14, towards the contributions payable to other departments were noted in the cash book for that year. But the opening and closing balances were not entered in it as suggested.

(4) No details for Rs. 68-4-3 on account of charges paid for baling water in the bed of Kunigal tank were available for being admitted in audit.

(5) The collection of one anna in the rupee of mohatarfa collections for payment to Talawars was said to have been made on the authority of Deputy Commissioner's No. 125, dated 9th December 1896. The practice has however to be legalised by order of Government.

PART II.—Current Audit.

The objections, etc., noticed in audit have been embodied in the objection statement attached to the note.

(2) The financial condition of the Municipality stood as follows :—

	Revenue	Public debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913 ...	4,015 7 5	48 3 6	4,063 10 11
Receipts ...	3,636 2 0	272 0 4	3,908 2 4
Total ...	7,651 9 5	320 3 10	7,971 13 3
Expenditure ...	2,903 4 5	139 2 10	3,042 7 3
Balance on 30th June 1914.	4,748 5 0	181 1 0	4,929 6 0

3. *Octroi.*—In some cases the discount allowed to importers has been deducted from the grose value of the goods and Octroi recovered only on the net value. Re. 0-7-5 foregone thereby has been objected to for recovery in item No. 1.

4. (*a*) *Mohatarfa.*—The Kammi Jasti Register for 1913-14 was not available for check.

(*b*) The demand, collection and balance under this head were as follows :—

	Rs.	a.	p.
Arrear on 1st July 1913 ...	48	8	0
Demand including excess collections, notice fees, etc. ...	2,272	12	11
Sale of manure	30	0	0
Sale of vacant site	15	15	0
Recoveries effected as per objection during last audit ...	1	8	0
Total ...	2,367	11	11
Collection ...	2,317	11	11
Balance on 30th June 1914 ...	50	0	0

Of this balance of Rs. 50 outstanding on 30th June 1914, Rs. 25 were collected during the current year. The steps taken for the recovery of arrears of Rs. 25 could not be checked as the Notice Register was not forthcoming at the time of audit.

(*c*) The total of the Bakipatti for 1913-14 works up to Rs. 49. The difference of Re. 1 between the balance as per sirkar khate and the kulúvar details is due to the fact that Re. 1 outstanding against khate No. 679 was not brought on the Bakipatti.

5. The revision of assessment of house tax ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has yet to be made in this Municipality.

B. SRINIVASIENGAR,
Assistant Comptroller,
in charge, Local Audit Department.

GPB—12—8-7-15

Note on the Audit of the Accounts of the Pavagada Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—27th April 1915.

Date of Completion of Audit.—29th April 1915.

Period occupied (excepting holidays.—Three days in current against last audit 5 days.

Period—	*Names of Vice-Presidents.*
1-7-13 to 11-11-13	B. Mohideen Sheriff, Esq.
12-11-13 to 30-11-13	V. Gopal Rao, Esq., B.A.
1-12-13 to 15-12-13	B. Narasimhiah, Esq., B.A., Sheristadar in charge.
16-12-13 to 30-6-14	V. Gopala Rao, Esq., B.A.

The last audit ended on 6th July 1914 and was for the period from 1st June 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 10 sanctioned for this Municipality the cash on hand on 28th April 1915 was Rs. 5-10-0 and agreed with the balance shown in the imprest book. The difference of Rs. 4-6-0 was accounted for as follows:—

Date		Rs.	a.	p.
30—11—14	Municipal contingent expenses.	1	0	0
23—6—14	Repair of lanterns ...	0	10	0
11—10—14	Cart-hire for conveying dust-bins from Hindupur.	2	8	0
28—3—15	Reward for snake killing	0	4	0
	Total ...	4	6	0

The first three items are pending recoupment for a long time.

PART I.—Action taken on the last Audit.

1. The audit note and objection statements were returned to the Comptroller in President's No. 1949—Mis., dated 12th April 1915.

2. Such of the items as were not disposed of have been brought on the objection statement attached to the note.

3. The wrong credit of Rs. 8-8-0 to General Revenues and Rs. 1-10-6 to District Funds have not as yet been adjusted to the credit of Municipal Funds.

PART II.—Result of Current Audit.

1. The objections noticed in current audit are embodied in the objection statements attached to the note.

2. The following is the financial condition of the Municipality during the year 1913-14.

	Revenue head	Debt head	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	609 14 5	—10 0 0	599 14 5
Receipts	1,213 7 2	24 5 9	1,237 12 11
Total ...	1,823 5 7	14 5 9	1,837 11 4
Expenditure ...	793 9 4	17 13 9	810 14 1
Balance on 30th June 1914.	1,029 5 3	—3 8 0	1,026 13 3

3. *Octroi.*—Annas 11 have been objected to for recovery in item Nos. 3 to 5 of the objection statement as a result of suspicious corrections in the counterfoils of receipts reducing the amounts entered in the first instances.

It is wise to make it a rule that no alterations or additions shall be made in a receipt form after once it has been made out. If any amendment is necessary the incorrect entry should be cancelled and replaced and a new receipt given. The object of this rule is obvious. If this is invariably adopted a loop hole for fraud is closed for, alterations in receipts are always unsatisfactory, especially when the correction reduces the amount of the receipt. The additional labour involved in cancelling the incorrect receipt and writing a first one is worth taking.

2) In this Municipality also as in some others octroi was not recovered in some instances on the amount of discount allowed to the importers and 4 annas foregone has been objected to for recovery in item No. 6 (*a*).

(3) A short collection of 9 pies and a short remittance of 3 annas were also observed and brought on the objection statement Nos. 6 and 7.

(4) There were many cases in which the octroi collections were not brought on the octroi register.

Vide objection No. 10.

(5) The counterfoils of receipts Nos. 93 to 100 in Books Nos. 7 and 18 to 100 in Book No. 9 were found to be blank and there foils torn off.

4. (i) *Mohatarfa.*—The demand, collection and balance for the period under audit were worked out as follows :—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	3	0	0
Demand including notice fees, etc.	828	11	11
Total ...	831	11	11
Collections	826	11	11
Balance on 30th June 1914	5	0	0

(2) Sale proceeds of vacant land and of trees, etc., were brought on the mohatarfa books. It would be well to maintain a separate miscellaneous demand register for the purpose. Again these amounts were credited in many cases to Municipal Revenue proper before the respective sales were confirmed. These amounts should have been brought under deposit in the Municipal accounts in the first instance and subsequently adjusted to the Revenue head concerned or repaid to the party according as the sales are confirmed or rejected.

Vide objection No. 15.

5. The following were not produced for audit.

(1) Merchant's patties in 3 cases.

(2) Sale-records of vacant land sold for Rs. 6-12-5.

6. *General.*—The revision of assessment on houses and buildings as ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been effected.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer in charge of L. A. D.

GPB—15—25-7-15

Note on the Audit of the Koratagere Municipal accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit.—13th April 1915.

Date of completion of audit.—15th April 1915.

Period occupied (excepting holidays).—Three days in current audit against last audit, three days.

Period.—1st July 1913 to 30th June 1914.

Name of Vice-President.—Mr. S. Subba Rao, Esq.

The last audit ended on 11th May 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check and cash balance.—Out of the Imprest of Rs. 20 sanctioned for this Municipality the cash on hand on 14th April 1915 was Rs. 19-8-0. The difference of annas 8 was the reward paid on 19th January 1915 for killing snakes and pending recoupment.

There was a balance of Rs. 40 on 14th April 1915 being the undisbursed pay of mutsaddi and sweepers for March 1915 as shown in the petty cash book.

PART I.—Action taken on the Last Audit.

1. The audit note and objection statements relating to audit of 1911-12 and 1912-13 were returned with replies to the Comptroller in No. 634, dated 21st October 1914.

2. The few objections that remained unanswered have been brought on the objection statement appended to the note.

3. The loss of Rs. 5-2-6 due to the collection of fine at one anna per goat instead of at Re. 0-1-6 has not been made good for the alleged reason that the Local Fund clerk who is considered to be at fault in not giving definite orders in the matter of amount of fine recoverable, is now dead.

4. The other amounts objected to for recovery have either been recovered or admitted on proper explanation furnished. (*Vide* statement attached.)

5. A general cash book recording the daily transactions was not maintained during 1913–14 but an abstract of receipts and expenditure for each month was kept.

6. There was no petty cash book during 1913–14 but one has been kept from July 1914.

PART II.—Result of Current Audit.

1. The several objections noticed in audit are embodied in the objection statements attached to the note.

2. The following is the financial condition of the Municipality during the year under audit :—

	Revenue Head	Public Debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913 ...	1,325 15 5	53 13 0	1,379 12 5
Receipts ...	1,796 8 10	26 11 0	1,823 3 10
Total ...	3,122 8 3	80 8 0	3,203 0 3
Expenditure ...	1,359 15 7	29 6 0	1,389 5 7
Balance on 30th June 1914 ...	1,762 8 8	50 2 0	1,813 10 8

3. Pound.—

(1) No release receipts were issued in three instances though the fines recoverable were collected.

(2) Fine was recovered at one anna per goat in some cases and at 2 annas in others. Fines should be recovered at the rate specified in the Cattle Trespass Act, Rule 12, *viz.*, Re. 0-1-6 in the absence of any special orders fixing rates different from the above.

3. Rupee 0-7-0 has been objected to for recovery ; 4 annas in respect of a cow not brought in the pound register and 3 annas due to alteration of amount originally entered in the counterfoil receipt in pound register. If any amendment is necessary the incorrect receipt should be cancelled and a fresh one issued in its place.

4. Mohatarfa.—

(1) The demand, collection and balance during the year under audit were as under:—Arrears on 1st July 1913, Rs. 330-12-11.

	Rs.	a.	p.
Sarkharkhatee for 1912-13 ...	328	4	11
Kulwar details more and suggested to be added to above ...	1	8	0
Add amount omitted to be brought on the bakipatti ...	1	0	0
Demand including notice fee, interest and excess collections	1,055	0	0
Total ...	1,385	12	11
Collection ...	1,301	4	11
Balance on 30th June 1914 ...	84	8	0

2. There were many errors in carrying forward the arrears into the khate for 1913-14 involving a reduction in the amount due by Rs. 2 and the amount due by the khatedar No. 192 namely Re. 1 was omitted both in the khate and bakipatti. (*Vide* Objection 10 and 11).

3. As pointed out in the objection statement Nos. 13 and 14, the collections posted in the khate were in some cases not traceable in the khiradi and in many others less than those included in the khiradi. The aggregate sums involved in them were Rs. 3 and Rs. 3-3-0 respectively and the Vice-President would do well to enquire into the circumstances by examining the pattas of the tax-payers. These amounts are recoverable from the shanbhog if the mistakes are not explained.

4. The kulwar details of correct balances on 30th June 1914, amounted to Rs. 86-0-0 that is Rs. 1-8-0 in excess of the sarkarkhate balance and this difference was due for the following reason.

The abstract demand for 1913-14 as worked out from that for 1912-13 was Rs. 1,054-0-0 but the individual demands worked up to Rs. 1,056-0-0. Again, the balance on the 1st July 1913 as per sarkarkhatte was Rs. 330-12-11 while as posted in the khatee for 1913-14 they were only Rs. 330-4-11. Thus the sarkharkhate balance on 1st July 1913 was more by 8 annas and the demand less by Rs. 2-0-0 than the kulwar details in the khate for 1913-14; thus giving rise to a net difference of Rs. 1-8-0.

5. There were many corrections in the khiridee mostly tending to reduce the amount originally entered, and the account of deficiency of Rs. 4 is recoverable if not properly explained. No notice register for 1913-14 was available for check.

5. *Deposit.*—There was a difference of Rs. 73-13-0 in the opening balance on 1st July 1913 between the Vice-President's and the Comptroller's office accounts and the same continued even at the end of 1913-14 also. (*Vide* objection No. 16).

6. *General.*—The revision of assessment on houses and buildings as ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, was not effected.

(2) The Municipal Account Manual was not brought into force till the close of audit.

(Sd.) B. SRINIVASA IYENGAR,
Asst. Comptr. and Officer in charge of L. A. D.

GPB [illegible]

Note on the audit of the Accounts of the District Fund of the Tumkur District.

Name of Senior Auditor.—V. A. Govindaraja Mudaliar.

Name of Assistant Auditor.—T. S. Somanatha Rao.

Date of commencement of audit.—12th August 1914.

Date of completion of audit.—2nd September 1914.

Period occupied (excepting holidays) —18 days, in current audit against 18 days in last audit.

Name of President who held office during the period of audit.—

B. J. Kumarasawmi Naik, Esq., B.A., from 1st July 1913 to 30th June 1914.

The last audit ended on 17th November 1913, and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Of the imprest of Rs. 10 held by the President, the cash on hand on 12th August 1914 was found to be Rs. 9-4-3 and agreed with the balance in the Imprest Book.

PART I.—Action taken on the Last Audit.

The note with the objection statements sent to the President with Comptroller's No. 6596-L. A. D. 882, dated 16th April 1914, was not returned with replies up to the date of audit. A statement of such of the items as remained undisposed of is attached to this report.

2. All items objected to for recovery during the audit of the accounts for 1912-13, were found to have been recovered and credited with the exception of one item of Rs. 12-9-3, the pay and horse allowance given to an acting incumbent in the absence of a vacancy.

3. The practice of sending the passed bills with cheques for the purpose of obtaining payees' receipts has been put a stop to and the bills are being filed in the

President's Office numbered in the order of the entries in the Cash Book, and the sale proceeds of cattle impounded were credited to the District Fund Deposits, during the period under audit.

4. A minute book was maintained during the year under audit, as suggested in para 13 of the last audit note, and the result of the monthly audit by the members of the Finance Committee was entered in the same.

PART II.—Result of Current Audit.

The books, etc., examined were the same as in the last year. Measurement books were also called for and examined.

2. The several objections noticed during audit are embodied in the objection statements attached to the report.

3. Payees' receipts were not forthcoming to the extent of Rs. 711-11-1 (*vide* objection items Nos. 10, 13 to 18, 20, 25, 28, 29 and 45). The number of receipts wanting was large in the case of the travelling allowance bills of members of the Taluk and District Boards. The amounts for which payees' receipts could not be obtained by reason of non-payment were not short-drawn in the subsequent bills of the members as required by the printed certificate at the foot of the T. A. bill forms.

4. In regard to the expenditure under Public Works by Civil Officers, estimates were not available for check this year also and consequently no effective audit could be exercised in respect of the rates allowed, the deviations for the estimates, and excesses under sub-heads. A sum of Rs. 11-14-8 was placed under objection for recovery, being excess payments due to errors in calculation (*vide* objection items Nos. 19, 21, 26, 36, 39, 41, 43 and 46). Completion bills were wanting in 10 cases, *vide* objection items Nos. 27, 30, 33, 34 and 38.

5. *Measurement Books.*—Due importance was not attached to the proper maintenance of this important and primary record. (1) The books do not contain certificates of the number of pages contained in them signed by a responsible officer. (2) The measurements are not crossed off after preparation of the bills. (3) No proper certificate of check measurements is given by the checking officer. In one case (*vide* page 9 of Measurement Book No. I for 1912-13 of Turuvekere Taluk) the certificate of the Deputy Amil-

dar, the checking officer, was "checked arithmetically and found correct," and besides, the several measurements were not ticked by him in token of their having been checked. How a certificate of this kind was taken as a guarantee for the correctness of the measurements recorded and final payment was made on such a certificate is not understood. (4) Unattested alterations in the detailed measurements were found in two cases (*vide* objection item No. 36).

6. One hundred and twenty cubic yards of gravel were collected during June 1914 and were not consolidated till the end of the year. No account is maintained in the President's Office to watch the disposal of the gravel.

The materials account form in the measurement books for road works should be used to watch the collection and consolidation of road materials.

7. Contribution to State Funds on account of Medical Establishment continued to be adjusted at the end of the year instead of in monthly instalments of $\frac{1}{12}$ of the allotment in the Budget as required in Rule 109 of the Local Board Rules.

8. *Deposits.*—The outstandings under this head at the end of June 1914 aggregated Rs. 1,950-5-4 which included the sum of Rs. 165-12-6 relating to 1912-13. Steps may be taken for the early adjustment of these amounts. Vouchers were not forthcoming for adjustments of amounts under deposits to revenue heads of accounts. This requires rectification.

9. *Uncashed Cheques.*—The amount of cheques that remained uncashed on 30th June 1914 was Rs. 6,537-6-8, of which Rs. 6,526-6-8 related to June 1914 and the balance of Rs. 11 was the amount of a cheque drawn in February 1914 and renewed in June 1914.

10. In the service labels account, the entries were attested by the officer franking the cover only till 18th April 1914, after which date, they were attested by the despatching clerk himself. Why they were not continued to be attested after that date is not clear.

11. The "doing duty" system in the case of Local Fund Officials still continues in spite of the remarks made in the two previous audit notes.

Assistant Comptroller,
Local Audit Department.

GPB—15—13-11-14.

Note on the Audit of the Accounts of the Municipalities of Chitaldrug District for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnaswami Iyengar.

Date of Commencement of Audit.—1st February 1915.

Date of Completion of Audit.—18th February 1915.

Period occupied (excepting holidays) in current audit 15 days.

The last audit ended on 7th March 1914 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—No Imprest was allowed for the President's office out of Municipal Funds.

PART I.—Action taken on the last Audit.

(1) The audit note for 1912-13 was returned to Comptroller with replies with Presidents' No. 350, dated 25th August 1914.

(2) The objections raised during previous audit and remaining unremedied are detailed in the accompanying Statement A. Of the several objections items 1 and 2 involving recovery of Rs. 34-11-6 were found to have been since adjusted by short drawal. Re. 0-5-4 objected to under pay of establishment againt Davangere Municipality was also adjusted by short drawa in the bill for March 1914. Against Rs. 2-8-3 objected to under pay of establishment of Challakere, Rs. 2-5-2 has been admitted under the circumstances explained and a day's pay, *viz.*, Re. 0-3-1 paid in excess has to be recovered, *vide* remarks in the objection statement. It is requested that the remaining amount of Rs. 48-3-1 retrenched will also be recovered, and necessary action on the other points dealt with therein taken at an early date

(3) Most of the replies given to the objections are not final so as to remove the items from objection.

(4) Some of the vouchers not available for audit were not obtained from the Municipalities concerned and filed in the President's office in support of the charges in the accounts.

PART II.—RESULT OF CURRENT AUDIT.

The result of current audit is embodied in the accompanying 29 sheets of objection statements only the important ones of which are dealt with here.

1. *Establishment pay bills cashed direct at the Treasuries.*—The errors noticed in these bills were the following:—

(1) One pie was paid in excess of the total amount of the Establishment pay bill for June 1913 at the Jagalur Taluk Treasury. *Vide* item No. 1.

(2) Excess payment to the extent of Re. 0-2-8 in the establishment pay bill of Jagalur Taluk for November 1913, due to error in calculation of pay of Shivanna from 1st to 25th and 26th at Rs. 5 per mensem. *Vide* Item No. 3.

2. *Contingent bills.*—The defects noticed in respect of these bills were:

(1) The charges in support of which the bills and vouchers were not available for examination are noted as items Nos. 19 to 24, 30, 34 and 35.

(2) The receipts obtained from the payees were, in some instances, less than the amounts drawn on bills. *Vide* items Nos. 25 and 26.

(3) The receipts obtained in support of the octroi contingent charges of Davangere every month were signed by one N. Ramanna, a member of the octroi establishment. *Vide* item No. 27 of the objection statement and Rule 338 of the Municipal Account Manual.

(4) *Excess payments.*—(*a*) Annas seven instead of annas six were charged as money order commission on voucher No. 88 for June 1914 for the remittance of Rs. 30-8-0 to Messrs. T. A. Ponnu & Co., Madras, *vide* item No. 32.

(*b*) Rupee 0-1-0 and Rs. 9-6-0 were drawn in excess of the actual requirements on vouchers, Nos. 21 for November 1913 and 19 for June 1914 and refunded to the Treasuay on 16th December 1913 and 13th August 1914

respectively. There was a delay of nearly two months in the refund of the latter amount. *Vide* items Nos. 31 and 33.

(5) A sum of Rs. 3-10-0 was remitted by money order to the Amildar of Davangere and his acknowledgment obtained. But on what account the money was remitted was not ascertainable. *Vide* item No. 31.

(6) Some of the contingent and pound commission bills passed by the President's office were not entered in the Register maintained in that office. *Vide* items Nos. 31 and 36 to 39, 47 and 49.

3. *Work Bills.*—The irregularities and defects noticed in respect of these bills were the following :

(1) Want of work bills and payees' receipts. *Vide* Nos. 80 and 81.

(2) Excess payments aggregating Re. 0-10-7 which was due to the totals of some two bills having been erroneously entered in excess of the details. *Vide* items Nos. 61 and 62.

(3) There was an excess expenditure of Rs. 1-3-0 incurred over the total of the sanctioned Estimate and 5 per cent thereof allowed as margin. *Vide* item No. 63.

(4) Some duplicate bills were passed for payment in the President's office without obtaining explanation as to what became of the original bills. *Vide* items Nos. 64 to 69.

(5) Measurement books of the Chitaldrug, Jagalur and Hosdurga Municipalities for 1913-14 were not available for examination. *Vide* item No. 70. It was found that it was the practice in some municipalities in this district as Challakere for instance, to send only extracts of measurement books instead of the books themselves to the President's office for check with the bills. This procedure which is peculiar to this district is not a safe one. The original books should always be examined with the bills and the entries in it should be crossed as soon as the bills are passed and cheques issued.

(6) Instances in which completion certificates were found wanting are noted as item No. 82.

(7) The dates of measurement were not noted on most of the bills and thus it was not possible to determine the delay. *Vide* item No. 79.

(8) Most of the works were measured and bills submitted to the President's

office for payment very late in June 1914, last month of the official year, apparently to avoid the lapse of budget grants. *Vide* item No. 78.

B. SRINIVASA IYENGAR,
Assistant Comptroller and Officer in charge of Local Audit Department.

GPB—15—9-8-15

Note on the Audit of the Municipal Accounts of the Hosdurga Municipality

Name of Auditor.—D. Ramanujiengar.

Date of Commencement of Audit.—6th June 1915.

Date of Completion.—8th June 1915.

Period occupied.—Three days as against 4 days in the previous audit.

The last audit ended on 12th June 1914, and was for the period from 1st July 1911 to 30th June 1913, and the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.

Against the Municipal Imprest of Rs. 100 the cash on hand was Rs. 90 and the same agreed with the imprest book balance. The difference of Rs. 10 was the advance made to contractor Krishnappa so far back as July 1913, for converting prickly pear into manure and referred to in the previous audit note also, and the same is still hanging unadjusted.

A sum of Rs. 50 is held as Union Imprest out of District Funds. Against this the cash on hand was Rs. 45-8-0. The difference of Rs. 4-8-0 was made up of the following items of payments :—

		Rs.	a.	p
11th February 1915.	Railway freight on lighting requisites ...	2	10	0
8th March 1915.	Do ...	0	12	0
10th March 1915.	Cart-hire ...	1	2	0
	...	4	8	0

The District Fund Petty Cash book showed a balance of Rs. 30-5-11 consisting of :—

	Rs.	a.	p.
(1) Travelling allowance of Local Fund clerk for Februrary 1915 drawn on 18th May 1915 ...	19	13	2
(2) Pound Commission ...	10	8	9
...	30	5	11

PART I.—Action taken on Last Audit.

1 The collection of Aya at one anna in the rupee for payment to the village thalwar rendering help in the collection of the Municipal taxes that was being made without the orders of competent authority was stated to have been discontinued from the year 1913-14.

2 In accordance with the orders of Government contained in No. 3376-32—Munl. 279-12, dated 28th October 1914, instructions were issued to the Amildar Mr. G. Narain Rao, by the Comptroller in No. 8945-6-7—S. & A. 758, dated 4th June 1915, for the payment at once into the Treasury of the sum of Rs. 242-2-4 incurred in connection with the repairs of Satarkatte, and Rs. 355-12-8 as rent for its occupation from Mr. G. Narain Rao, Amildar. But what rent is being paid by the present Amildar Mr. K. Srinivasa Rao who has been occupying the building since 13th January 1914 was not pointed out. Under the above orders the amount of rent recovered monthly should be credited to Municipal Funds.

3. The undermentioned defects pointed out in the objection statements on the audit of accounts for 1912-13 continued in 1913-14 also—

(1) The Khate abstract showing the demand, collection and balance under house and other mohatarfa taxes was not signed by the Vice-President.

(2) The entries of increases and decreases in the Tanikhe patti or Ahaval taktha were not serially numbered and the same noted in the Khate. Increases and decreases were not properly noted in the columns provided therefor in the taktha and the totals thereof made out.

(4) In the Khirdi there were no progressive totals of collections from day to day, nor were pagewar totals made out.

(5) The duplicates of Octroi patties were not serially numbered invariably and the same entered in the collection register. The system of granting receipts in forms having counterfoils for the duty collected has not been introduced. Piece-goods are required to be brought to the Taluk Office for examination and impressing the Municipal Octroi seal on them in the presence of the Taluk Sheristadar. But there is no establishment to watch the importation of piece-goods into the town and to see if they are regularly brought to the office for examination and payment of requisite duty thereon. The Municipal Mutsaddi who has apparently not much work to do may be asked to look after this work.

(6) Some patties which were not available during the previous audit were not made available for examination during the present audit also.

(7) In the pound register the signatures of the parties were not obtained

for the animals released. The method of numbering the entries in the admission register by giving a serial number for each animal admitted has not been adopted.

(8) For the collections of mohatarfa taxes receipts were not granted in forms having counterfoils.

(9) When the manure collected in 1913-14 was sold was not pointed out.

PART II.—Result of the Current Audit.

3 The objections and defects noticed in current audit are noted in the objection statements pages 1 to 8 attached hereto, and the important points are noted hereunder.

Much difficulty was experienced in conducting the present audit. The Local Fund clerk of this place was said to have been transferred to Davangere Taluk about a month ago, and no substitute was appointed in his stead. The Head Munshi of the taluk was in charge of the Local Fund clerk's work, but he was unable to produce all the required books and accounts for audit and much less to properly explain the points noticed in audit.

4. *Mohatarfa.*—The house and other mohatarfa taxes were revised during the year under audit, with the result that there was an increase of Rs. 262-8-0 as detailed below :—

	1912-13	1913-14	Increase
	Rs. a. p.	Rs. a. p.	Rs. a. p.
House tax ...	852 8 0	1,022 0 0	169 8 0
Shop tax ...	482 0 0	567 0 0	85 0 0
Cart tax ...	129 0 0	134 0 0	5 0 0
Mill tax ...	12 0 0	15 0 0	3 0 0
Total ...	1,475 8 0	1,738 0 0	262 8 0

The demand, collection and balance for the year under audit were as under :—

	Rs. a. p.	Rs. a. p.
Demand for 1912-13 ...	.....	1,484 4 4
Decrease in 1913-14 ...	.....	.....
Taxes ...	78 0 0	.....
Notice fee, etc. ...	8 12 4	86 12 4
	Net	1,397 8 0
Increase in do ...		340 8 0
Do excess collections ...		1 8 0
Notice fee, etc. ...		7 7 4
Omission in the Khate Abstract both under Jamabandi and collections on account of notice fee, etc.		0 8 0
	Total ...	1,747 7 4
Arrears of previous years ...	...	714 6 0
	Total demand	2,461 13 4
Collections in 1913-14 ...	1,691 7 4	.....
Remissions ...	9 0 0	1,700 7 4
Balance on 30th June 1914...	...	761 6 0

Against the balance of Rs. 761-6-0 outstanding on 30th June 1914, Rs. 687-14-0 was stated to have been collected up to date of audit in 1914-15, leaving a balance of Rs. 73-8-0. From this should, however, be deducted Rs. 6-8-0 being the amount recovered and credited direct into the Taluk Treasury, but not brought on the Khirdi and the Khate :—

December 1913	...	...	Rs. 5 0 0
January 1914	...	...	„ 1 8 0
		Total	6 8 0

A sum of Rs. 14 was stated to be irrecoverable and the matter of remitting this was under correspondence. For the recovery of the small balance coercive measures were stated to have been taken, but the registers maintained therefor were not however available for examination. In the revision lists of taxes which were prepared separately for (1) House tax, (2) Shop tax, and (3) Mill tax, the Khate numbers have not been noted for purposes of reference.

There are numerous corrections and alterations in the Khate numbers originally entered in the Khirdi. There was no evidence of the demand in the Khate for 1913-14 having been checked with the revision lists of taxes and the Ahaval taktha, and the credits with the Khirdi entries.

No Baki Patti was prepared after the close of the year for the balances outstanding on 30th June 1914 and signed by the Vice-President.

5. *Octroi.*—The Octroi collections of 1913-14 amounted to only Rs. 419-10-1 against Rs. 504-12-9 in the previous year, and there was no proper explanation for the fall in revenue.

6. *Cash Book.*—The following defects were noticed in the Cash Book :—

(1) Cash balance was not struck after the close of each month in 1913-14.

(2) The annual adjustments made by the President's Office towards contribution to other departments were not duly debited in the Cash Book.

(3) There was no evidence of the Cash Book having been examined by the Vice-President.

7. The transactions of the Municipality as per audited accounts for 1913-14 were as under :—

	Revenue	Debt
	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913	1,191 2 9	50 9 0
Receipts in 1913-14 ...	2,574 4 0	393 12 3
Total ...	3,765 6 9	444 5 3
Payments ...	2 062 15 6	66 9 1
Balance on 30th June 1914 ...	1,702 7 3	377 12 2
Grand Total ...	2,080 3 5	.....

8. The Demand Collection and Balance Statement was not produced for examination.

9. "C" Register was not maintained to record the details of public works executed by civil officers.

10. In the Register of Village Improvement Works the dates of adjustment of Government grant-in-aid were not duly noted.

B. SREENIVASIENGAR,
Assistant Comptroller and Office in charge of Local Audit Department.

GPB—12—29-7-15

Note on the Audit of the Municipal and other accounts of the Chellekere Taluk for 1913-14.

Name of Auditor.—Mr. D. Ramanujiengar.

Date of Commencement of Audit.—12th June 1915.

Date of Completion of Audit.—13th June 1915.

The last audit was for 2 years 1911-12 and 1912-13 and ended on 24th June 1914.

PART I.—Check of Cash Balance.

(1) The Municipal imprest of Rs. 50 remained on hand in tact.

(2) Against the District Fund imprest of Rs. 50 the cash on hand was Rs. 37-15-0. The difference of Rs. 12-1-0 was the expenditure incurred on 21st May 1915 and not recouped.

(3) The District Fund petty cash book showed a balance of Rs. 23-8-1, of which Rs. 4 was the pay of sweeper Durga of Parasurampura, and details were not readily available in the petty cash book for the balance of Rs. 19-8-1. This defect should be supplied by entering in the petty cash book details for the balance on hand after the close of each month.

(4) The Municipal petty cash book showed a balance of Rs. 150 being the amount of compensation payable to Thippiah on account of certain house acquired and drawn in June 1913 and irregularly held in amanath as already pointed out in the audit note for 1912-13. The amount should at once be credited to treasury and redrawn under proper authority when the claimant is to be paid.

Action taken on the Last Audit.

(1) The note and the objection statements relating to the last audit sent to the President with Comptroller's No. 1086—L. A. D. 117, dated 8th August 1914, and forwarded by the former for disposal to the Vice-President with No. 66, dated 15th August 1914 was pending disposal in the Vice-President's Office.

(2) Counterfoils of Octroi receipts for the periods noted below which were objected to as wanting in the previous audits were not produced:—

14th August 1910 to 4th September 1910.
24th September 1911 to 15th October 1911.
26th November 1911 to 17th December 1911.
8th September 1912 to 29th September 1912.
22nd December to 1912 to 19th January 1913.
2nd March 1913 to 16th March 1913.

(3) Rupees 603-7-8 being the amount of three items of deposits shown to have been adjusted in the Deposit Register, but not actually done so in the acccounts remained unadjusted.

(4) Of the sum of Rs. 68-13-0 shown to be the site value remaining unrecovered, only Rs. 14-2-8 was recovered in August and November 1912.

(5) Pattis of piece goods that were wanting in the previous audit were not available in six cases.

(6) Rupees 4-4-3 being the interest due on belated payments of market khists were not recovered.

(7) The authority for the release of an ass on 28th September 1912 without recovering the requisite fine on the same on the ground that it was chest broken, and nobody could go in for it was not produced.

(8) The rates of feeding charges for the impounded cattle were fixed by the Municipal Council only in February 1915.

PART II.—Result of Current Audit.

The defects and objections noticed in the current audit are embodied in the objection satements attached and the more important points are dealt with in these paragraphs.

1. The financial condition of the Municipality was as follows:—

	Revenue	Deposit	Imprest
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1913	3,773 4 6	929 5 6	−50 0 0
Receipts in 1913-14 ...	4,602 1 7	737 6 2	.....
Total ...	8,375 6 1	1,677 11 8	−50 0 0
Payments in 1913-14 ...	3,440 10 8	349 0 10	.....
Balance on 30th June 1914 ...	4,934 11 5	1,328 10 10	−50 0 0

2. *Mokatarfa.*—The demand, collection and balance for the year 1913-14 were as under :—

		Rs.	as.	p.
Demand for 1912-13	...	758	12	0
Decrease in 1913-14	..	54	4	0
Balance	...	704	8	0
Increase in 1913-14	...	69	14	0
Total	...	774	6	0
Arrears on 1st July 1913		57	0	0
Grand Total	...	831	6	0
Collection in 1913-14	....	783	14	0
Balance, 30th June 1914		47	8	0

Of the above arrears Rs. 16-0-0 was shown to have been since recovered leaving a balance of Rs. 31-8-0.

The entries of increases and decreases effected in the khate were not attested by the Vice-President in token of their having been examined with the connected records, and the number of the Ahaval taktha not noted against the items of increases and decreases in the khate for purposes of reference.

The house tax has not been revised from a long time. In February 1915 a resolution was passed by the Municipal Council forming a committee for the purpose of revising the house tax. But no action has as yet been taken.

3. *Octroi.*—The erroneous system of deducting discount and commission from the gross value of piece goods for purposes of assessing Octroi duty pointed out in the last audit continued in 1913-14 also. In the instances noted in page 12 of the objection statement, there was a loss of Rs. 3-9-2 sustained by the Municipality.

The following defects observed in the course of the audit of the Octroi accounts require to be remedied.

(1) The pattis filed in office were not serially numbered

(2) Pattis were not attested by the Municipal member or other officer of Government in whose presence the piece-goods were examined and stamped.

(3) The number and date of receipt granted for the duty collected was not noted on the patti.

(4) Certificates of the totals of the pattis having been checked by the Municipal Mutsaddi was not recorded therein.

(5) In the collection register the receipt numbers were not entered against the entries of collections.

(6) As the shandy day happens to be Sunday on which the treasury is closed, the mutsaddi entrusted with the collection of duty is allowed to keep the money with him and to remit the same to the treasury on the next office day, but no security has been obtained from him.

4. *Markets.*—As in the previous year there were certain belated payments of khists by the contractor for which the interest due, *viz.*, Re. 1-0-1 was not recovered. *Vide* objection statement, page 1.. The total of the amounts recoverable for the several years were as follows :—

			Rs.	a.	p.
For 1911-12	...	...	0	1	9
„ 1912-13	...	...	4	2	6
„ 1913-14	...	...	1	0	1
			5	4	4

5. *Pounds.*—The supervision of the pound is entrusted to the patel of the town subject to the condition that he does not claim any commission on the fines collected. The pound accounts for a number of years were allowed to remain with the patel. This is irregular. The accounts of each year should be obtained and filed in the Vice-President's office after the close of the year. In the case of receipt books given to the patel, the previous ones containing the counterfoils should be got back before issuing a fresh book and the same filed in the Vice-President's office. As a safeguard against double claims on account of refund of feeding charges and commission on fines in the case of District Funds, note should be made against the items of receipts in the Cash Book, and a certificate of such a note should be recorded on the bills submitted to the President.

6. *Public Works Charges.*—Register of works in Form 43 (new Form 72 Municipal Accounts Manual) to record the budget grants and the amounts appropriated from time to time and to note the outlay booked on the several works was not kept.

A number of payees' receipts obtained from the parties was found retained in the books of receipts instead of being sent to the President's Office for being filed with the connected bills. It was the practice in this Municipality to submit to the President's office with the bills for check only extracts from the measurement books the originals being retained in the taluk office for reference and entry of measurements taken subsequent to the date of submission of bills. This procedure is not a

wholesome one. It is desirable that the original measurement books which are the most authentic records should be submitted to the President with the bills for check, and necessary note should be made therein of the connected claims having been preferred and passed by the President. There is no objection to bring into use as many measurement books as are necessary for the purpose of recording the measurements, and the maintenance of a construction or measurement register Form 73 Municipal Accounts Manual will also furnish all available information in the taluk office when the measurement book and other records are sent to the President's office.

7. *Debt Balance.*—There was a difference of Rs. 23-2-0, between the books of the Vice-President's office and that of the monthly account. This difference has to be adjusted in the accounts, *vide* objection page 10.

GENERAL REMARKS.

8. *Village Improvement Fund.*—(1) The instructions issued regarding the maintenance of Village Improvement Fund accounts were not clearly understood in this as in many other taluks. In 1913-14 there were 6 works costing Rs. 1,500 which were drawn from the treasury on the authority of sanctioned estimates and paid away to village committees. There was no record kept in the taluk or by the Village Improvement Fund clerk to show accurately the Village Improvement Fund amount nor were the amounts drawn on proper work bills. No account was available in the taluk office as to how the amounts given to the Village Improvement Committees were spent.

(2) *Site Register.*—There were several instances of sites having been sold in respect of which information as to the dates of recovery of value was not readily available. *Vide* objection statement page 2. A register of sites should be at once maintained in which entries should be made immediately after the grant of a site by the Municipal Council or other authority for upset price or by auction and recovery of the value as well as its inclusion in the assessment list or khate should be noted in it.

(3) It was observed that cheques received in office in payment of dues to contractors or others were not being entered in the petty cash book on the

dates of receipt, but only on the dates on which they were cashed in the treasury. Such cheques were being kept in the custody of the Local Fund clerk along with his office records. At the suggestion of the undersigned, this procedure which was not a safe one was changed immediately. The cheques which were thus on hand at the time of audit were got entered in the petty cash book and placed in treasury along with the imprest and other cash.

B. SRINIVASIENGAR,
Assistant Comptroller, and Officer in charge of Local Audit Department.

W. D.—197—GPB—12-26.8-15.

Note on the Audit of the Municipal and other Accounts of the Harihar Sub-Taluk for 1913-14.

Name of Auditor.—D. Ramanujaiengar.

The audit was commenced on 23rd June 1915 and completed on the 24th idem.

The last audit ended on 31st May 1914, and was for the period from 1st July 1912 to 30th June 1913.

Check of Cash Balance:—(1) Against the Municipal imprest of Rs. 100, the cash on hand was Rs. 99-14-0. The balance of annas two was the expenditure incurred on 9th June 1915.

(2) The Municipal petty cash book showed a balance of Rs. 10-8-0 being the deposit amount to be refunded to one Basavayya drawn in May 1915.

(3) Against the District Fund and Union imprests of Rs. 200 the cash on hand was Rs. 193-4-2 the difference of Rs. 6-11-10 is the balance of advance outstanding against the weaving mestri already referred to in the last year's note. This is outstanding from a long time and immediate steps may be taken for its early recovery.

The several imprest and other undisbursed amounts on hand are now kept in a box which is placed in the taluk office in the custody of the police, and not in the Deputy Amildar's house as in the previous year.

I.—Action taken on last Audit.

The audit note and the objection statements sent to the Vice-President in August 1914 are still pending disposal with that officer.

(2) Fourteen annas six pies being the interest due on belated payments of toll khists was recovered and credited on 31st March 1915.

(3) In the case of octroi on piece goods the practice of deducting the discount and commission for purposes of octroi duty has been since changed.

(4) The difference of annas eight between the bakipatti and the khate abstract was reconciled in 1913-14, but necessary correction has not as yet been made in the D. C. B. statement.

(5) The original entry of Rs. 12 in the khirdi, page 72 for 1912-13, against khate No. 38 was explained to be due to a clerical error for the correct figure of only Rs. 4 but the same was not recorded in the objection statement.

(6) Receipts for the disbursement of 2 items of Rs. 79 and 5-2-6 to the Sanitary Inspector have been since obtained and attached to the acquittance roll.

(7) Of the sum of Rs. 51-2-3 shown in the last audit note to be the amount of *aja* collections remaining on hand without being remitted to the treasury; Rs. 51-1-9 were credited on 9th June 1914, and there remains still a small balance of pies six yet to be credited.

II. The following defects continued unremedied.

(1) The pound Admission Register was not correctly kept by giving a serial number for each animal admitted and the signatures of the parties for the animals released were not taken invariably in all cases.

(2) A Railway receipt and invoice register of piece-goods suggested in the last audit note was not maintained to watch the importation of piece-goods into the town and no arrangements have been made for opening a bonded warehouse for the deposit of goods pending the recovery of duty.

(3) The omission to bring on the khirdi the sum of Rs. 2 collected on 27th May 1911, from one Eramma referred to in the objection statement for 1912-13 remains unexplained.

(4) The sale records that were pointed out to be wanting were not readily available even during the present audit. *Vide* objection statement, page 1.

(5) Notices were not served on the defaulting tax-payers in 1913-14 and the mohatarfa arrears are increasing year by year as shown in the margin.

Balance on:—	Rs.	a.	p.
30-6-1912	7[illegible]5	8	[illegible]
30-6-1913	1,[illegible]91	8	
30-6-1914	1,[illegible]73	[illegible]	[illegible]

(6) Harihar being a Regulation Municipality the system of collecting taxes in 2 instalments by the issue of bills through whole time tax collectors requires to be adopted at a very early date.

III.—Result of Current Audit.

1. The defects and other irregularities noticed in the current audit are embodied in the objection statements attached and only the important points are dealt with hereunder.

2. The financial condition of the Municipality during the year under audit was as under :—

	Revenue	Deposit	Loan	Imprest
	Rs. a. p.	Rs. a. p.	Rs.	Rs.
Balance on 1-7-13 ...	4,621 9 2	434 0 0	1,250 0 0	100 0 0
Receipts in 1913-14 ...	7,479 14 7	1,388 9 4	...	...
Total ...	12,101 7 9	1,822 9 4	1,250 0 0	100 0 0
Payments in 1913-14 ...	5,448 13 5	577 11 0	250 0 0	...
Balance ...	6,652 10 4	1,244 14 4	1,000 0 0	100 0 0

3. The octroi mutsaddi is at present entrusted with the registering work in the Taluk Office, as apparently he has not enough work to do in the matter of collection of duty on piece-goods, while a revenue peon on Rs. 7 is placed in charge of the pound and given supervision over the conservancy staff. In the interests of octroi revenue it is desirable that the octroi mutsaddi should be required to maintain a railway receipt and invoice register and watch the import of all piece-goods by railway.

4. *Mohatarfa.*—The demand, collection and balance for the year 1913-14 were as under :—

	Rs. a. p.
Demand for 1912-13	4,558 0 4
Decrease in 1913-14	103 0 4
Balance	4,455 0 0
Increase	96 0 0
Arrears on 1-7-13	1,301 8 0
Difference between the khate abstract and details of Baki patti for 1912-13	0 8 0
Total demand ...	5,853 0 0
Collections in 1913-14	3,920 0 0
Balance on 30-6-14 ...	1,933 0 0

N.B.—The amount actually credited to the treasury was only Rs. 3,919-0-0. The deficiency of Re. 1 having been pointed out in audit it was since credited. *Vide* objection statement, page 3.

5. Against the above arrears of Rs. 1,933-0-0 only Rs. 799-6-8 have been shown to have been since recovered during 1914-15, and for the recovery of the balance necessary coercive measures were

not adopted. Some of the Municipal members themselves are shown to be in arrears to the extent of Rs. 195-8-0. *Vide* Shanbhog's patti attached.

There is nothing to indicate that the mohatarfa accounts were examined by the Local Fund Clerk.

In the khate increases and decreases were effected by correcting the original entries instead of by adding to the original demand or subtracting therefrom such items of increases and decreases as the case may be. Also the corrections so made have not been attested by the Vice-President in token of their examination.

There are unattested corrections both in the khate and the khirdi. These defects require rectification.

The khate for 1912-13 was not available for check with the next year's accounts.

6. *Pounds.*—There was a short collection of annas five under fines, and the disposal of a horse the fine on which is 4 annas was also not explained. The omission having been pointed out the total amount due, *viz.*, 0-9-0 was credited in the pound accounts. *Vide* objection statement, page 5.

7. *Tolls.*—In connection with the contract for 1914-15, the necessary agreement and security bonds were not apparently obtained. The contractor for 1915-16 was stated to be an outsider not residing in Mysore, but yet only an advance equal to two monthly instalments has been recovered from him instead of 4 khists, as required in Rule 173 of the Municipal Account Manual.

The sale for 1914-15 was confirmed only by the President and not by the Municipal Council.

8. *Public Works.*—In the "C" Register, the dates of submission of completion bills were not noted.

9. *General Cash Book.*—The following defects were observed in the above:—

(1) Balance has not been struck after the close of each month.

(2) Adjustments made towards water-supply and maintenance charges and intimated to the President were not duly noted in the cash book.

10. *Petty Cash Book.*—In this each item of receipt and payment should be attested by the Vice-President. After the close of each month an extract thereof should be submitted to the President

supported by payee's receipts. For the balance on hand on the last day of the month details should be worked out.

11. *District Funds.*—In the case of bills for refund of feeding charges of impounded animals and commission on fines, the dates of submission of bills to the President should, as a safeguard against double payments be noted against the entries of credits in the cash book kept to record the District Fund receipts and a certificate of such note having been made should also be recorded on the bills themselves.

B. SRINIVASAIENGAR,
Assistant Comptroller and Officer in charge, L. A. D.

W. D. 167—GPB—15—26-8-15.

Note on the audit of the Municipal and Local Fund Accounts of the Holalkere Taluk for 1913-14.

Name of Auditor.— D. Ramanujaiengar.

The audit was commenced on 15th June 1915 and completed on 16th June 1915.

The last audit ended on 6th June 1914 and was for the period ending 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Against the Municipal imprest of Rs. 50, the cash on hand was Rs. 43 and agreed with the imprest book. The difference of Rs. 7 was the advance paid in May 1915 for repairing lanterns.

2. The imprest allowed for District Funds is Rs. 75 of this the cash on hand was Rs. 3-7-0 and the balance of Rs. 71-9-0 was made up of the following items :—

		Rs.	a.	p.
(1) 3-4-1915	Railway freight on water-supply materials for Chitaldrug town ...	54	0	0
(2) 6-5-1915	Amount given to recoup an item of expenditure incurred first out of P. W. Imprest	17	9	0
	Total ...	71	9	0

3. According to the District Fund Petty Cash Book, there was a balance of Rs. 1-8-0 being the undisbursed amount of travelling allowance.

2. PART I.—Action taken on Last Audit.

The audit note and the objection statements relating to the audit of accounts for the period ending 30th June 1913 sent to the President with Comptroller's No. 61, dated 23rd July 1914 were still pending with that officer.

(2) The short collection of pies eleven under octroi was credited in March 1915 and the difference of Re. 1 between the Bakipatti and the Khate Abstract for 1912-13 was reconciled. But the following defects required to be remedied.

(3) Seven patties of piece goods pointed out to be wanting in 1910-11 and not produced during the last audit were not produced even during the current audit.

(4) Invoices were not duly numbered and noted in the Collection Register.

(5) Short collection of duty on cloth of Rs. 3-2-3 owing to the deductions made in the patties on account of commission allowed has not been recovered yet.

(6) Treasury credit certificates were not obtained in the Octroi Collection Register in several cases.

(7) Remittance Register of pound collections for 1912-13 which was pointed out to be missing was not produced.

(8) The pound accounts of several years were stated to be left with the patel himself.

(9) Receipts for the animals released were not given in some cases in 1913-14 as in 1912-13.

(10) In the Public Works Register no note of the submission of the completion bills was made.

PART II.—Result on Current Audit.

3. The objections noticed in current audit are embodied in the subjoined statements and only the important points are noted hereunder.

4. *Mohatarfa.*—The Demand, Collection and Balance for the year 1913-14 were as under :—

	Rs.	a.	p.	Rs.	a.	p.
Demand for 1912-13				1,640	12	0
Decreases owing to the revision of Shop and Mill taxes ...	248	0	0			
Increase owing to the revision of Shop and Mill taxes ...	447	0	0			
Net increase				199	0	0
				1,839	12	0
Decrease in 1913-14 as per Panikhapatte				32	8	0
				1,807	4	0
Add increase in 1913-14 as per Panikhapatte				132	0	0
Add excess collection... ...				1	8	0
Notice fees, etc.				1	12	0
Total ..				1,942	8	0
Add also arrears on 1st July 1913				181	12	0
Grand Total				2,124	4	0
Collections in 1913-14 ...				1,695	0	0
Balance on 30th June 1914 ...				429	4	0

The above balance is shown to relate to the following years :—

		Rs.	a.	p.
1907-08	... ...	2	0	0
1908-09	... ...	6	0	0
1909-10	... ...	6	8	0
1911-12	... ...	16	8	0
1912-13	....	43	0	0
1913-14	... ...	355	4	0
	Total ...	429	4	0

From the above should be deducted Rs 8., being the tax on Barr huts adjusted in the accounts of the Comptroller's office for June 1914 and intimated to the President, but not brought on the Mohatarfa accounts kept by the Shanbhog for that year.

Towards the aforesaid arrears on 30th June 1914, a sum of Rs. 206-0-0 is shown to have been since collected leaving a balance of Rs. 223-4-0 as per Bakipatti attached hereto.

For the recovery of the arrears notices were stated to have been issued only in a few cases as per entries made in the copy of the Bakipatti furnished by the Shanbhog to the Vice-President's office. No separate notice register was kept showing full details of the dates of issue of notices, the dates on which they were served and what further action was taken thereon. This is a defect requiring immediate rectification.

From the yearwar details of arrears noted above it is observed that a sum of Rs. 14-8-0 is due for the years 1907-08, 1908-09 and 1909-10.

5. The following defects and irregularities were observed in the Mohatarfa accounts :—

(1) Amounts paid into the Treasury direct were not brought on the khirdi and khate by the Shanbhog in the month in which they were so paid but only in June.

(2) There is no trace of the Mohatarfa accounts having been checked by the Local Fund clerk.

(3) For the decrease under cart tax details as to what became of the carts owned were not furnished in some instances in the Tanikhepatti, and applications were not inserted upon invariably in all cases for decrease of cart tax.

(4) The system of granting receipts in forms having counterfoils for mohatarfa collections has not yet been introduced.

(5) Entries of decreases and increases transfers of khate noted in the khate have not been attested by the Vice-President.

(6) The house tax has not been revised from a long time. The question of its revision was however placed before the Municipal meeting held on 30th September 1914 when a resolution was passed to the effect that the shanbhog should prepare a list of houses and that the Municipal Councillors of each Mohalla should render help, but no action has yet been taken.

III

6. *Octroi.*—(1) In the collection register the receipt numbers were not noted against the items of credits. In the case of piece-goods the receipt numbers should be noted on the Patties also.

(2) There is no evidence of the octroi collection register having been checked with the counterfoil receipts, and there are [redacted]ge-wise totals in it.

(3) Patties were wanting in a few cases. *Vide* objection statement, page 3.

(4) No register of invoices of piece-goods received was maintained.

IV

(5) There is nothing in the receipt books or the octroi register to show that the collections in the shandy were being supervised by the Municipal members according to the resolution recently passed in April 1915.

7. *Markets.*—The market fees were being collected departmentally till June 1915. From July 1915 the right of collecting the same has been leased out.

8. *Pounds.*—The patel of the town looks after the pound and keeps the requisite registers, etc., but he is given no commission.

9. *Cash book.*—The cash book was not properly kept; monthly balances were not shown in it.

(2) Totals were not made out in October 1913, and the expenditure of June 1914 was not entered in it, and the adjustments made by the Deputy Commissioner by transfer credit to other departments were not duly noted in the cash book.

(3) Lists of uncashed cheques were not made out in the cash book after the close of each month.

The financial condition of the Municipality for 1913-14 was as under:—

	Revenue.	Deposits
	Rs. a. p.	Rs. a. p.
Balance on 1-7-13	3,732 5 9	36 8 0
Receipts in 13-14	3,728 13 3	314 1 3
Total ...	7,461 3 0	350 9 3
Payments	3,804 12 10	.....
Balance on 30-6-14	3,656 6 2	350 9 3

	Imprest	Total
	Rs. a. p.	Rs. a. p.
Balance on 1-7-13	—50 0 0	3,718 13 9
Receipts in 13-14	.....	4,042 14 6
Total ...	—50 0 0	7,761 12 3
Payments	.....	3,804 12 10
Balance on 30-6-14 ...	—50 0 6	3,956 15 5

10. *Petty Cash Book.*—The items of receipt and payments were not attested, nor after the close of each month an extract of the petty cash book was submitted to the President's office along with the monthly account, supported by payees' receipts, in support of the debits raised therein as in the case of District Funds. Details for the closing balance on the last day of the month should also be recorded in the petty cash book.

11. *Public works.*—For recording the expenditure under public works the only Register now kept is the work register in Form 43. No. "C" Register has been maintained. One should be kept from 1st July 1915.

12. *Miscellaneous.*—Certain sale records were not readily available for examination, *vide* objection page 3.

13. *District Funds.*—Copies of Pound commission bills were stated to have not been kept, nor were the dates of submission of bills noted against the entries of credits in the cash book kept to record the details of receipts. Copies of bills should also be preserved in office showing details of dates of submission of bills, and the number and date of cheque on which the amounts were drawn.

(2) The dates of submission of bills to the President's office for the issue of cheques should be noted against the original credit entries in the cash book, as a safe-guard against double payments. Also on the bills submitted to the President, certificates should be recorded of such a note having been made.

B. SRINIVASIENGAR,
Asst. Comptroller and Officer in charge,
Local Audit Department.

Holalkere

W.D. 167—GPB—18-8-15—12.

Audit Note of the Davangere Municipal and other Accounts for the year 1913-14.

Name of Auditor.—D. Ramanujiengar.

The audit was commenced on the 17th June 1915 and completed on the 21st idem.

2. The last audit ended on 29th May 1914 and was for the period from 1st July 1912 to 30th June 1913. The present audit is for the official year 1913-14.

3. In Government Order No. 2065-7—Ml. 49-14, dated 22nd August 1914, a wholetime Secretary was appointed to help the Amildar Vice-President in the administration of the Municipality and Mr. B. M. Rangayya Naidu, the first Municipal Secretary, took charge on 1st September 1914. The duties of the Municipal Secretary were defined in a resolution of the Municipal Council dated 13th July 1914.

PART II.—Action taken on the Last Audit.

4. (i) The balance of Rs. 9-8-0 being the excess pay retrenched was recovered by short drawal by June 1915.

(ii) The two items of Rs. 20-10-0 and Rs. 6-0-0 paid out of Municipal imprest for repairing the Washington light globe on 26th May 1913 and for printing charges, etc., on 15th November 1913 respectively were recouped. But the bill on which the sum of Rs. 20-10-0 was drawn was unsupported by payee's receipt. As observed in the previous year's audit note the amount was first advanced on 14th October 1911 out of the Mayakonda Union imprest and the latter was recouped by transferring the item to Davangere Municipal imprest account on 26th May 1913. The amount was finally changed off to Davangere Municipal funds on 15th November 1913. The original payee's receipt obtained on 14th October 1911 should be produced for audit.

(iii) The sum of Rs. 21-4-0 due to a contractor and drawn from the Treasury on 29th June 1912, *i.e.*, about three years ago was outstanding in the petty cash book. The amount should as already suggested be immediately placed in Municipal deposit pending orders of the President for the disbursement of the amount to the proper claimant.

(iv) Out of the sum of Rs. 4-5-0 objected to for recovery under pounds only annas four were recovered from Phakeerappa, Pound Mutsaddi, and it was stated that the balance of Rs. 4-1-0 was recommended for remission. No final orders were however obtained in the matter.

(v) The difference of Rs. 1-4-0 between the totals of the kulawar balance and the abstract total shown in the khate was rectified by adding the amount to the Shanbhog's own khate, and recovering the same from one Nagappa.

(vi) The last audit note sent with Comptroller's No. 61, dated 23rd July 1914, was stated to have been returned with the remarks of the Davangere Municipal President to the Deputy Commissioner, Chitaldrug District, but the same has not as yet been forwarded by that officer to the Comptroller's Office.

(vii) An audit committee was being appointed by the Municipal Council at its monthly meetings to audit the accounts, but there was nothing to show that any audit work was done by the persons so appointed. This is a serious drawback requiring early notice.

(viii) There has been no general revision of house tax in this Municipality. Davangere is growing in importance as a commercial town, a considerable amount of money is being spent in providing water-supply and other conveniences to the town, and the market value of the houses has materially risen in recent years. Nevertheless the Municipal Council has not considered it necessary to revise the house-tax. In reply to the enquiry from Government asking when the revision of assessed taxes will be taken up, the Municipal Council resolved in the meeting dated 31st October 1914, that no revision is necessary. This is to be regretted. From a reference to some of the instances mentioned in Statement No. 3 it will be seen that the present market value of certain properties exceeds the valuation as given in the khate by thousands of rupees and

that there will be considerable addition to the Municipal revenue by a careful revision of the house tax.

The bulk of the revenue of the Municipality is now contributed by two items, *viz.*, firstly toll in respect of which double the usual rates are levied, and secondly octroi. Both these items cannot perhaps be considered as permanent sources of revenue. The double rates of toll will have to be reduced soon after the important public works in connection with water-supply and drainage are executed, and the question of the abolition of octroi is a subject demanding solution sooner or later by the Municipal Council.

PART II.—Result of Current Audit.

5. The imprest and petty cash books of the Municipality showed a balance of Rs. 143-10-0 and Rs. 35-0-0 respectively, and were agreed with the cash on hand in the amanath book in the Treasury. Details for the amounts spent out of the imprest and for the petty cash on hand are given in Statement No. 1. Since a highly paid Municipal Secretary is now in immediate charge of the Municipal office, the Taluk Treasury may be relieved of maintaining the account of the imprest and petty cash of the Municipality. It seems sufficient if the imprest and other undisbursed amounts of the Municipality are placed in a sealed box and lodged in the Treasury. It may be taken out by the Secretary at the commencement of each office day and returned to the Treasury for safe custody at the close of the day.

The District Fund petty cash book showed a balance of Rs. 832-8-1 made up of the items detailed in Statement No. 2.

The imprest of Rs. 50 allowed to each of the Unions, Hadadi and Mayakonda remained on hand in tact. Of the sum of Rs. 50 held for the Lokikere Union the cash on hand was only 23, the balance of Rs. 27 was the amount spent in connection with the remittance of Treasure on 14th September 1914, and the same has not as yet been adjusted. There is not only long delay in adjusting the advance but the utilisation of the imprest of one department for expenses of another is irregular.

6. The result of current audit is embodied in the several objections detailed in the accompanying statements and the more important of them are dealt with in some detail in the following paragraphs.

. The financial condition of the Municipality during the period under audit was as follows :—

	Revenue	Deposit	Imprest	Advance
	Rs. a. p.	Rs. a. p.		
Balance on 1st July 1913 ...	82,785 14 11	2,395 15 3	—150	—100
Receipts in 1913-14 ...	46,121 15 3	36,316 7 1	...	100
Total ...	1,34,907 14 2	38,712 6 4	—150	...
Payments in 1913-14 ...	16,205 12 11	416 10 9	...	...
Balance on 30th June 1914 ...	1,18,702 1 3	38,295 11 7	—150	...
Total ...		1,56,847 12 10		

7. *Octroi.*—Piece-goods is the only article on which octroi is leviable in this Municipality. The collections under this head in 1913-14 were the highest on record being Rs. 13,214 besides Rs. 244 received as warehouse rent. But in the next year, *i.e.*, 1914-15, there has been a considerable fall as the revenue recovered as duty up to 17th June 1915 was only 7,184 with some increase however under warehouse rent, viz., Rs. 488-6-0 against Rs. 244 in the preceding year. The fall in octroi revenue was stated to be due to the prevalence of plague in the town in the early part of the year and to the slackness in trade in consequence of the outbreak of the European war.

It seems however that the import of cloth into the town can be kept under better control than at present by strictly adopting the procedure contained in the Municipal Account Manual.

A Railway receipt and invoice Register was as suggested in the last audit note maintained in manuscript, but no check was exercised over the import of all goods received by Railway.

There is no watch kept at the Railway Station to prevent all possibility of goods intended to be imported not being smuggled into the town. Nor are attempts made to compare the entries in the books of the Railway, with those in the Octroi office. This work can well be arranged with the present Octroi staff consisting of a mutsaddi, an assistant mutsaddi and a peon. The assistant octroi mutsaddi is, it is understood, now employed in doing clerical

work in the Municipal Office, as the one hand sanctioned for that office is inadequate to cope with the work of that office.

Octroi is, as stated above, one of the main items of revenue of this Municipality and that department should not be illmanned to make up for the insufficiency of the Municipal Office establishment. The Octroi Bye-laws which have now been sanctioned have to be strictly observed. Export passes will hereafter have to be issued in all cases when goods are exported outside the Municipal limits. As the Railway premises are within the Municipal limits, as well as the roads through which goods intended to be exported directly from the Railway to such places as Jagalur, etc., it is necessary that all goods imported by Railways should be permitted to go out only with an export pass obtained from the Municipal Office. And the system of issuing export passes on payment of one anna as prescribed in the Octroi Bye-laws should be at once adopted.

8. *Mohatarfa.*—The Mohatarfa accounts continue to disclose an unsatisfactory state of things. The Shanbhog had absented himself without permission at the time of audit and much difficulty was experienced in the audit of these accounts.

The demand collection and balance for 1913-14 were as under:—

	Rs.	a.	p.
Demand for 1912-13 ...	9,340	10	11
Decrease in 1913-14 ...	342	0	8
Balance	8,998	10	3
Increase, 1913-14 ...	505	5	0
Arrears on 1st July 1913 ...	5,190	2	5
Total ...	14,694	1	8
Collections in 1913-14 ...	9,227	13	10
Balance on 30th June 1914	5,466	3	10

The above arrears are shown to relate to the following years:—

	Rs.	a.	p.
1902-03	13	0	0
1903-04	7	8	0
1904-05	24	0	0
1905-06	58	0	0
1906-07	49	10	0
1907-08	63	11	0
1908-09	91	4	0
1909-10	196	5	0
1910-11	295	0	11
1911-12	598	5	4
1912-13	1,068	12	4
1913-14	3,000	11	3
Total ...	5,466	3	10

Against the above arrears of Rs. 5,466-3-10 only a sum of Rs. 1,901-11-11 is shown to have been collected in 1914-15.

The arrears have been allowed to increase year after year, and no effective measures have been adopted towards their collection.

In several instances notices have not been written up at all, and in the cases in which notices were prepared they have not been properly served, as the Sanitary Inspector, who, with his multifarious duties of supervision of sanitation, conservancy and public works and miscellaneous revenue collection, has been entrusted with the duty of serving notices, is apparently quite unable to attend to this important work. The Mohatarfa collections of this important Regulation Municipality continue to be made by the hereditary patel and the Shanbhog who are also in charge of the Government revenue collections. The system of collecting taxes in two half-yearly instalments in July and January has not been brought into effect, nor are regular receipts granted to persons paying the taxes.

The several irregularities noticed in the Mohatarfa accounts demand a thorough overhauling of the accounts. Early action may be taken regarding the appointment of one or two wholetime bill collectors for the collection of Mohatarfa taxes and the entertainment of a temporary distraining officer to help the collection of arrears by serving notices and warrants under the close supervision of the Municipal Secretary, who must be able to devote a considerable part of his time for the collection work. The several defects in the accounts requiring rectification are as follows:—

(1) The Khate Abstract was not signed by the Vice-President in token of his examination.

(2) The Baki patti prepared by the Shanbhog was not examined by anybody with reference to the khate, and the difference of Rs. 11-0-0 between the two was not accounted for, *vide* objection statement, page 8.

(3) There is no trace of the khirdi postings in the khate having been examined by any other than the writer.

(4) There were wrong postings of collections made from one party towards the khates of others.

(5) The khates to which certain credits were alleged to have been posted were not traceable.

(6) There were differences in a few cases under arrears on 30th June 1914 between the khate abstract and the Baki patti.

(7) There was no agreement between the Khaneshumari account and the khate.

(8) The transfers from one khate to another, and items of increases and decreases noted in the khate were not duly attested by any responsible officer.

(9) Cart tax is at present being included in the Mohatarfa accounts and collected by the Patel and Shanbhog. A separate register is also maintained in the Octroi office for recording the carts numbered. But this register serves no useful purpose as the numbering is done only in very few cases at the instance of the owners, apparently for the purpose of enabling them to pass through the toll-gates without payment of the toll. Moreover under the present arrrangement collections of cart tax are being made in some cases by the Mohatarfa collectors *i.e.*, Shanbhog and Patel, and in others by the octroi mutsaddi at the time of numbering the carts. The fees collected by the latter were in some instances paid over to the former for being remitted to the treasury through their khirdi, and in other cases remittances to treasury were made directly by him. Rs. 2-0-0 received on 28th July 1914 through the octroi office as numbering fee in respect of No. 377 and paid to the Shanbhog was brought to account on 1st August 1914. It is necessary that items of cart tax should be removed from the Mohatarfa books, that all owners of carts must be asked to produce their carts at the Municipal Office for being numbered, and that suitable Bye-laws on the subject should be framed at once. The revenue under this head is capable of expansion.

9. *Pounds.*—In a few instances there were differences in the description of animals between the counterfoil receipts and the admission register resulting in a short remittance of 0-15-0 and in one case a refund of feeding charge of one anna was paid in excess. The error having been pointed out the same was credited in the register.

10. *Tolls and Slaughterhouse Fees:*—(1) In respect of the contract amount of Rs. 22,800 for 1914-15 it was found that the contractor had paid only 7 khists up to date of audit, and consequenty after allowing for the 2 khist

amount in deposit he was in arrear to the extent of Rs. 5,700 and steps were not taken for the collection of the same on the ground that he applied for a remission of Rs. 5,'00.

As the contractor was understood to be not a permanent resident of the place owning property at Davangere or in any place in the Province, four months' security should have been obtained from him as required in Rule 173 of the Municipal Accounts Manual. Such a large amount of arrears as Rs. 5,700 should also not have been allowed to be uncollected pending the question of remission. Confirmation of the sale to the highest bidder was found to be made by the President of the Davangere Municipality without previously obtaining the approval of the Municipal Council.

(2) The slaughterhouse fees at one anna for each sheep and goat were farmed out for Rs. 530 for 16 months from March 15 to end of June 16, and the treasury certificate for remitting the advance of 2 months' rent received on 22nd February 1915 was obtained in the sale record. It would be well to maintain a miscellaneous demand register in Form 48 for such items as toll and slaughterhouse fees, and a remittence register in Form 93 for remitting all collections to treasury.

11. *Public Works.*—In the 'C' register kept in the Vice-President's Office, the dates of the submission of the completion bills were not noted. There were several instances wherein for completed works the work bills were not supported by completion bills. Some of the bills did not bear the signatures of the contractors concerned.

12. *General and Petty Cash Books.*—The defects observed in these books were:—

(1) Balance was not struck in the general cash book after the close of each month.

(2) In some months the cash book was not attested by the Vice-President in token of examination.

(3) List of uncashed cheques was not made out in the cash book after the close of each month with a view to reconcile the cash book balance with the Treasury pass book balance.

(4) In the petty cash book each item of transaction should be attested by the Vice-President and after the close of each month the book should be placed before the President with all the vouchers'

for examination. The vouchers should then be attached to the bills concerned.

13. *Site Register.*—This register was not a complete record of all sites at the disposal of the Municipality, or of even those disposed of. In it, a record was made of only such of the sites disposed of, the value of which was recovered. The treasury credit certificates for the amounts received having been remitted to the treasury were not traceable in several instances. These items may also be entered in the remittance register Form 93 and treasury certificates obtained therein. The register must serve both as a demand as well as a collection register. Entries should be made in it as soon as the grant of a site is made by competent authority. The receipt of the sale price should be duly watched and recorded, and lastly note of the sites being assessed to land tax and brought on the Mohatarfa books should be made therein.

The discrepancies noticed in regard to the dates of credit in the cash book and of the remittance to treasury in the following two instances require to be explained:—

As per cash book.	Date of remittance.
Rs. 91—10-8 6-7-14	14 7 14.
Rs. 750—0-0 2-6 14.	26 6 14.

14. *District Funds.*—In the case of bills on account of refund of feeding charges of impounded cattle and commission on fines, the dates of submission of bills to the President should as a safeguard against double payments, be noted against the entries of credits in the register kept to record the receipts on account of District Funds, and a certificate to that effect should be recorded on the bill itself.

15. *Village Improvement Fund Accounts.*—There were '6' works sanctioned for 1913-14 in respect of which Rs. 1,075 were received as contribution in cash from villagers and credited to the fund. Including the amount of Government grant the total at the credit of the fund up to end of June 1914 was Rs. 2,150 of which no amount had yet been drawn from treasury on work bills.

B. SRINIVASIENGAR
Asst. Comptroller and Officer in charge, Local Audit Department.

W. D. 167—GPB—15—26-8-15.

Note on the audit of the Accounts of the Municipality of Chitaldrug Town for 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnasami Iyengar.

Date of commencement of audit.—19th February 1915.

Date of completion of audit.—5th March 1915.

Period occupied (excepting holidays) in current audit.—12 days.

The last audit ended on 14th March 1914, and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—

1. The balance of cash on hand on 4th March 1915 out of the sanctioned Imprest of Rs. 250 for the Town Municipality was Rs. 223-10-0 which agreed with the balance shown in the Imprest account of that day.

PART I.—Action taken on last Audit.

2. The audit note for 1912-13 was returned by the President to Comptroller with replies with his No. 3-1, dated 28th August 1914. The items that remain unanswered out of the previous years' objection statements are annexed hereto as statement A. Some of the replies given in the last year's audit objection statements are not final so as to remove them from the list of objections.

The Imperial Post Office buildings used as residential quarters and the lady apothecary's quarters were not assessed to house tax.

PART II.—Result of current Audit.

3. The result of current audit is embodied in the accompanying 26 sheets of objection statements and only important ones are dealt with here.

4. It was a serious irregularity to have entrusted the work of collection on account of water tax and octroi duty on piece-goods to the Municipal office accountant who is also required to maintain the cash book, and compile the accounts. This requires to be remedied at once.

5. *Pound accounts.*—The defects noticed in the Pound accounts were the following :—

(1) Counterfoil receipt of releases No. 1, dated 1st January 1914, was found torn off the receipt book. *Vide* item No. 4.

(2) Less collection of fines to the extent of 8 annas. Item No. 9.

(3) Pound collections were generally remitted to the Treasury beyond the period of a week prescribed in Rule 228 of the Municipal Account Manual. *Vide* Item 10.

6. *Octroi accounts.*—The points observed were the following :—

(1) Bundles of cloths were kept lying in the verandah of the District office building pending recovery of duty and no arrangement was made to provide for a bonded warehouse. *Vide* Item 14.

(2) Invoices of piece-goods and cloths were not arranged in chronological order for facility of reference, *vide* Items 18 and 19, nor was separate receipt in counterfoil given for the receipt of duty on cloth.

(3) There were short collections of duty aggregating Re. 0-1-2 *vide* Item 23, and short remittance of octroi collections aggregating Re. 0-3-1, *vide* Item 24.

7. *Mohatarfa accounts*—(*1*) *Kammi Jasti register.*—Applications received in 1913-14, for the decrease of assessment were not produced for examination. *Vide* Item 31 (2).

(2) The items in kammi jasti register were not serially numbered to enable references in the khate being quoted. *Vide* Item 31 (1).

(2) *Khate or demand register.*—(1) There was no revision of assessment for many years past and every year's delay means so much loss to the Municipality, *vide* Government Order No. 1892-9—Ml. 124-14-1, dated 19th August 1914, and Item 22 of the objection statement and Rules 28 to 30 of the Municipal Account Manual.

(3) *Khirdi.*—(1) Printed counterfoil receipt books were not used for the recovery of Mohatarfa taxes even in 1913-14. *Vide* Item 33.

(2) Mohatarfa collections were remitted to the Treasury thrice a month in July and August 1913, twice in September 1913 and only once a month from October 1913 to June 1914 *vide* Item 34. Under Rule 65 of the Municipal Account Manual, the remittance should be made once a week in the District and Taluk Headquarter stations.

(4) *Baki patti.*—(1) About 1,032 items were outstanding in the Bakipatti for 30th June 1914, out of 1,405 khate numbers on the whole, that is, $\frac{3}{4}$ of the total number of items were outstanding. *Vide* Item 35.

(2) The total closing balance of Mohatarfa taxes for 1913-14, was Rs. 2,941-2-4, which pertained to years from 1903-04 to 1913-14, out of which only Rs. 674-14-8 as detailed in statement VI appended (hereto) were recovered in 1914-15 (from July 1914 to January 1915) leaving a balance of Rs. 2,266-3-8 still to be recovered. *Vide* Item 36.

(3) No coercive measures were taken by the issue of notices and warrants to the defaulters *Vide* Items 37 and 42.

(4) Taxes were outstanding against some khatedars in respect of the houses or sites acquired by the Municipality years ago. *Vide* Item 57.

It is not known why tax was not recovered at least from the Compensation awarded to them.

(5) A sum of Rs. 150 made up of 42 items was outstanding against Government servants, etc., *vide* Item 40.

Two items of tax amounting to Rs. 266 were outstanding against some Government buildings for the adjustment of which the Military and the Public Works Departments should be addressed. *Vide* Item 41.

(6) The jamabandi for 1914-15 had not been completed before the end of the year nor was the khate or demand register opened—This is a serious irregularity—The balance due to end of May 1915 under this head was so high as 4,742-15-8.

(7) Shelter was taken by the out door subordinates for their laches in making collections by the issue of coercive processes, under the plea that necessary bye-laws under the Municipal Regulation were not sanctioned to enable them to issue notices and take out warrants. This defect should be immediately rectified.

8. *Water tax register.*—An item of Rs. 6 was noted in the register for 1912-13 as having been remitted and was not

carried over to the register for the next year (1913-14). The records in support of the remission were not produced for reference. *Vide* Item 59. Another sum of Rs. 6 was omitted to be included in the opening balance for 1913-14. *vide* Item 60.

9. *Acquittance Rolls.*—Some of the officials whose pay is Rs. 10 and above did not insure their lives in the Mysore State Life Insurance, *vide* Item 62.

10. *Security Deposits.*—In the Savings Bank Pass books of certain Municipal employees produced for examination, the required letters of agreement were not obtained binding the officials not to withdraw the amounts without the written permission of the Vice-President. *Vide* Item 65.

11. *General Remarks.*—

(1). The general cash book was not examined and attested by the Vice-President, and balance was not struck therein after the close of the month. Details of uncashed cheques were not noted in the cash book after the close of the month, and verification of balance was not recorded in page 8 of the monthly account. In the accounts for April 1915, page 9, was omitted to be filled in.

(2) Pass book was being sent to the treasury only once a month for being written up, instead of at least twice.

(3) In the Municipal office, no register or other record was kept to show the dates of examination of the accounts by the Municipal auditors and their observations on the defects, etc., noticed in the course of audit. The maintenance of such a register is very essential.

(4) No revision of house tax was effected for many years, and every year's delay means appreciable loss to the municipality.

B. SRINIVASA IYENGAR,

Assistant Comptroller and
Officer in charge of the
Local Audit Department.

GPB—15-9-3-15

Note on the Audit of the Accounts of the District Fund of Chitaldrug District, 1913-14.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnasami Iyenger.

Date of Commencement of Audit.—11th January 1915.

Date of completion of Audit.—30th January 1915.

Period occupied (excepting holidays).—In current audit 17 days against 13 days in last audit.

Names of President and Vice-President who held office during the period of audit :—

Period.—During 1913-14.

Name of Persident.—V. R. Thyaga raja Iyer, Esq. M.A.

Name of Vice-Presidents.—1-7-1913 to 16-7-1913, Mr. M. Sadasiva Rao, B.A. B.L., 17-7-1913 to 11-5-1914, Mr. B. Bhima Rao, B.A., 12-5-1914 to 30-6-1914, Mr. M. S. Ramachandra Rao, B.A., B.L.

The last audit ended on 25-2-14 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balance of cash on hand on 12th January 1915 out of the Imprest of Rs. 10, sanctioned for the President's office, was 3 annas, which agreed with the balance shown in the Imprest account of that day.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

The audit note and the objection statements connected with the accounts for 1912-13 were returned to the Comptroller's office with replies with the Deputy Commissioner's letter No. 81, dated 10th July 1914.

PART II.—RESULT OF CURRENT AUDIT.

The result of current audit is embobied in the accompanying 65 sheets of objection statements, only the inportant ones of which are dealt with below :—

(*a*) One set of [illegible] was noticed in respect of the drawing of Rs. 12 on account of pay of establishment without a proper claim therefor and the keeping of it unaccounted for, for two months. The circumstances were as follows:—

The pay of six sweepers at Rs. 2 each per mensem of the Bilechedu Union in the Jagalur Taluk for May 1914 (*vide* Voucher No. 48, dated 10th June 1914) was entered in the column of "Fines" and each one of them was marked *absent* during the month, but the full sanctioned scale of Rs. 12 was erroneously passed in the President's office and paid by cheque No. 275, dated 10th June 1914, for Rs. 117 cashed on 19th June 1914. In the invoice of the District Fund bills sent from the taluk in June 1914, the amount claimed for disbursement to the establishments was Rs. 105, and it was not understood how the excess of Rs. 12 was passed in the President's office. In the Vice-President's office, Jagalur, the cheque for Rs. 117 was cashed on 19th June 1914, and the excess sum of Rs. 12 was retained in hand for full two months, and then refunded to the Jagalur Taluk Treasury on chellan No. 74, dated 20th August 1914.

The fact of the excess amount not required for disbursement having been passed and drawn was not communicated at all to the President's office, nor was the amount refunded to the Treasury soon after the cheque was cashed. In the register maintained in the President's office for establishment and other charges, no claim was passed for April 1914, the previous month, but this was not noticed before admitting the charge for the next month. The President's office was not aware of the excess having been passed by it or of its refund two months after till it was pointed out in the course of audit.

(*b*) Excess and overpayments were noticed under the following heads and separate objection slips have been issued in respect of them.

In calculating the amount of permanent monthly allowance admissible during joining time, Re. 1-3-2, instead of Re. 1-9-7 being the horse allowance for eight days from 16th to 23rd November 1913 at Rs. 5 per mensem were erroneously deducted in the travelling allowance bill of Narasimhachar, Work Inspector, Chitaldrug, for November 1913 (*vide* Voucher No. 85, dated 10th March 1914 for Rs. 1-12-10, and last pay certificate of November [illegible] Work Inspector for November

amounting to Rs. 20+6, charged on Voucher No. 37, dated 8th December 1913) *Vide* item No. 27. The difference of 0-6-5 should now be recovered.

(2) Rupee 0-1-0 was erroneously drawn as increment for 1st August 1913 at Rs. 2 per mensem before accrual by N. K. Narasimha Iyengar, Sanitary Inspector, Holalkere, *vide* item No. 34.

2. *Cash Book*—(*a*) *Receipts.*—The items of credits for which chellans were not forthcoming are noted as item No. 10.

Instances in which the pound and mohatarfa collections of Unions were retained in large amounts and remitted to the Treasuries are noted as item No. 11. In one case, the amount of house tax remitted from Doddasiddavanahalli in Chitaldrug Taluk on chellan No. 66—155, dated 12th November 1913 was Rs. 1,051-8-0.

As no securities are furnished by the officials in charge of pounds and mohatarfa collections in Unions, it will be safe to insist on the collections being invariably remitted at least once a week in future, *vide* Local Board Rule 80.

The three different sources of revenue from pounds, *viz.* (1) fines. (2) feeding charges, and (3) sale proceeds of stray cattle, were not separately noted in most places in the Cash Book so as to serve for future reference, *vide* item No. 14.

Cash Book (*b*) *Payments.*—(1) The items of charges for which vouchers were not forthcoming are noted as item No. 1.

(2) Two different Voucher numbers (not even consecutive) were given for portions of the amounts of bills, *e.g.*, pound commission and feeding charges bills.

(3) The sub-vouchers pertaining to bills (consolidated) were given separate voucher numbers (*e.g.*, travelling allowance bills of Taluk Board members), *vide* item No. 15.

3. *Establishment Bills.*—(1) The deductions on account of the Mysore State Life Insurance premium were not shown in the pay bills, *vide* item No. 16.

4. *Contingent and Potgi Bills, etc.*—The defects noticed in these bills are.

(1) Want of telegraph receipt, *vide* item No. 42.

(2) Want of payee's receipts, *vide* items Nos. 41, 43, 46, 51 and 53.

(3) There were excess payments to the extent of Rs. 2-11-5, *vide* items 47 to 49. The excess should be recovered and remitted to the Treasury for credit to the District Funds.

5. *Bills of Postal Commission and Feeding Charges.*—(1) The bills for which payees' receipts were not available are noted as items Nos. 35 and 39. The required payee's receipts should be obtained from the taluks and filed along with the bills concerned.

(2) In some instances, there were no certificates of credit and even when certificates were obtained, the dates of actual credits of the amounts were not mentioned, *vide* items Nos. 35 and 36.

(3) The amounts of fines and feeding charges of each bill were split up and entered in the Cash Book under separate voucher numbers, *vide* item No. 35 (3).

The total amount of each bill should, as a rule, bear one Voucher number and similarly entered in the Cash Book with the details required.

6. *Travelling allowance bills of the District and Taluk Board Members, etc.*—(1) Two cheques were issued for portions of the amount of a bill pertaining to an establishment on one and the same day, the reason for which was not ascertainable, *vide* item No. 54. Also, two cheques were issued in different months for portions of the amounts of a single bill, *vide* item No. 55.

(2) The bills in support of which the payees' receipts were not forthcoming are noted as item No. 56.

(3) (*a*) Receipt stamps were not affixed against certain amounts disbursed at one time in excess of Rs. 20 on the ground that the portions of the amount disbursed pertained to different months the amount of each of which did not exceed Rs. 20, *vide* item No. 57.

For obtaining stamped acknowledgments, the total amount paid at one time is the point to be considered and the receipt stamps required to be affixed should be obtained from the parties concerned.

(*b*) Some amounts in excess of Rs. 20 were remitted by money order for which stamped acknowledgments were not obtained, *vide* item No. 58.

7. *Register of cheques issued for Establishment and other Charges.*—(1) The entries were made in the register in the columns of the months in which cheques were issued instead of in the columns of the months to which the claims relate. In this arrangement, it is not possible to exercise effective check as regards arrear claims.

(2) The detailed sanctioned scale of each establishment and the number

and date of the Government Order sanctioning it were not noted. The pay Register, Form No. 7 of the Local Boards Rules 86 (*a*) (1), should be at once maintained. Pending the receipt of Local Board Forms from the Press, the municipal Form No. 83 now received printed may be used.

(3) The amounts of some of the bills the payments of which were authorised were omitted to be noted in the register.

(4) The entries in the register were not attested by any body, so as to serve as an authenticated record. *Vide* item No. 17.

8. *Work Bills.*—The defects noticed in these bills were the following :—

(1) There were payees' receipts without the work bills concerned, *vide* items Nos. 86 and 93. Bills for which payees' receipts were found wanting are noted as items Nos. 4 and 88.

(2) Excess payments aggregating Re. 1-11-6 were made, *vide* items Nos. 5 6 and 7. The amount should be recovered and remitted to the treasury for credit to the District Funds.

(3) Bills for which completion certificates were not available are noted as item No. 2.

(4) The measurement books of the Davangere, Holalkere and Jagalur Taluks and of some bills of Chitaldrug and Hosadurga Taluks were not available for examination, *vide* item No. 8.

(5) Cheques were issued for the amounts of certain work bills in which the Vice-Presidents certified as "Not checked" *vide* item No. 88.

(6) There were delays in submitting and passing some bills, *vide* item No. 90. In many cases, the dates of payment were not noted, *vide* item No. 89.

(7) Most of the bills were passed and charged in June 1914 (last month of the official year) and that too, on the last day thereof, apparently to avoid the lapse of budget grants, *vide* item No. 89 (*a*).

(8) In some instances, the original and duplicate work bills were noticed to have been filed together in the President's office, *vide* item No. 87.

(9) The construction register was not maintained, *vide* item No. 85.

9. *Deposit Registers.*—(1) When deposit amounts were repaid or otherwise adjusted, the deposit entries concerned

were transferred to the re-payment register instead of the re-payments being noted against the entries concerned in the Deposit Register, *vide* item No. 77.

(2) (*a*) The amount of a certain deposit re-payment voucher was erroneously charged to "C" 3.

Refunds instead of to "F. (2) Deposits" *vide* item No. 80.

(*b*) The adjustment made of a certain deposit entry was in excess by 0-1-6 which amount should be readjusted in the accounts for 1914-15, *vide* item No. 81.

(3) The entries of repayments as noted in the Deposit repayment register for February 1914 amounted to Rs. 240-3-6, while the total amount entered was Rs. 239-11-6 as charged to deposits in the cash account for the month. The difference of 0-8-0 noted as adjusted is an error and should be scored out, *vide* item No. 82.

(4) The correct balance statement of deposits outstanding on 30th June 1914 was not ready. There existed some differences between the figures of the President's office and those of the Taluk Boards of Chitaldrug, Holalkere, Challakere and Hosdurga, *vide* item No. 83. These differences should soon be reconciled and a correct balance arrived at for adoption.

10. *Permanent Advance Register.*—(1) The number and date of Government order santioning the advances was not quoted in the register.

(2) In the present form of the register, the receipt or otherwise of the required annual acknowledgments of advance from the different taluks cannot be watched, *vide* item No. 70.

11. *Acquittance Roll Premium Receipt Books and Service Registers.*—(1) In the acquittance roll, there was no acknowledgment for the receipt of 12 annas being the travelling allowance due to C Venkoba Rao of the Local Fund Establishment, Davangere, for November 1912, *vide* item No. 72.

(2) Some of the officials of the President's office did not insure their lives in the Mysore State Life Insurance, *vide* item No. 74.

(3) The monthly recoveries of the Life Insurance premiums noted in the premium receipt books were attested by one of the clerks in the Local Fund Department instead of by the Gazetted officer who passed the pay bills and acquittance rolls, *vide* item No. 75.

(4) The service registers were not posted up to date and there were no certificates of verification in them, *vide* item No. 75.

12. *Stationery Accounts-Issue Register.*—(1) The signatures of the recipients of Stationery articles were not generally taken.

(2) Alterations and over-writings of figures were very common. *Vide* item No. 59.

(3) Irregular issues of the articles of periodical supply and of the costly articles intended for rare use in offices, *e.g.* candles were freely issued to the clerks so as to exhaust the supply within the first few months of their receipt from the Stationery Depot. *Vide* appendix E. of the Stationery Rules.

5. There were double entries of issue of the articles to the District Sub-Overseer once against the official designation, and secondly against his name, *vide* item No. 61.

(4) Some of the stationery articles were indefinitely noted as issued "For office use" in each month, *vide* item No. 62, while all the articles were supplied to each clerk; the necessity for such additional supply is not apparent.

(5) The totals of the issue register under some articles were incorrectly entered, *vide* item Nos. 63, 64, 66 and 67.

13. *Stationery Stock Account.*—(1) The stock account produced was from August 1913 and the closing balances for (previous month) July 1913 were not brought forward and added on in the account. The stationery articles received on 16th August 1913 from the Stationery Depot as supply for 1913-14 was adopted as starting balance.

(2) The previous stock account and the copy of the Stationery Indent for 1913-14 were not available for examination, *vide* item No. 60.

(3) Differences were noticed between the totals of the Issue Register under certain articles and the figures deducted in the stock account, *vide* item No. 68.

(4) There were errors in the deductions in stock accounts for different months, *vide* item No. 69.

15. *Stock Book of Forms, Stock Book of Vessels and Furniture in Musafirkhana and 3rd Class Travellers' Bungalows.*—These were not yet maintained, *vide* item No. 76.

B. SREENIVASA IYENGAR

Assistant Comptroller and Officer in charge of the Local Audit Department.

GPB—12—29-6-15

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Note on the Audit of the Accounts of the Municipalities of the Hassan District.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnasamiengar.

Date of Commencement of Audit.—12th November 1914.

Date of Completion of Audit.—4th December 1914.

Period occupied (excepting Holidays) in Current Audit against Last Audit.—Current audit and Last audit 20 days each.

Name of President who held office during the period of audit.—

Period. Name of President.

1913-14 P.R.W. Wetherall, Esq., President.

The last audit ended on 15th January 1914 and was for the period from 1st July 1912 to 30 June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—There is no Imprest sanctioned from Municipal Funds.

PART I—Action taken on the Last Audit.

The items that remained undisposed out of the objections raised in the last audit are brought forward and included as item No. 1 of the objection statements.

PART II—Result of Current Audit.

The result of current audit is embodied in the accompanying 23 sheets of objection statements (final) containing 24 serially numbered items and only the important ones of those are dealt with here.—

1. Bills of Establishment.—The irregularities noticed in the Establishment pay-bills cashed at the Treasuries are the following:—

(*a*) No pay or Check Register was maintained to facilitate the examination

of the correctness of the claims preferred on establishment bills. Attention is drawn to the recent circular issued from the Comptroller's office and it is requested that the omission will be at once supplied.

(*b*) Amount shown under "Savings" column was drawn in subsequent month. *Vide* item No. 2 of the objection statement.

(*c*) References to the months of the original bills in which the pay or portion of pay was withheld were not correctly noted in the supplemental bills to facilitate claims being admitted without objection. *Vide* item No. 3.

(*d*) The amounts claimed and drawn for each incumbent were not entered in column "Net charge of each section," so as to arrive at the total amount entered and drawn on the bill. *Vide* item No. 4.

(*e*) Annas 8 were paid in excess which was due to the total of the bill having been entered in excess of the details. After the objection was pointed out, the sum of 8 annas was credited by short-drawal in the bill for November 1914.

2. *Miscellaneous Bills cashed at the Treasury.*—Two travelling allowance bills of certain Police Constables of Hassan Taluk amounting to Rs. 7-9-0 each for the journey performed for proceeding to the Pasteur Institute, Coonoor, for Anti-Rabic treatment.

(*a*) Under para (9) of Government Order No. 631-80—Med. 2 C.S-95, dated 22nd July 1911, the charges are debitable to General Revenues instead of to Municipal Funds. Necessary adjustment of the amount should be effected in communication with the Comptroller's office.

(*b*) Mileage was drawn for constables at 1½ annas instead of 1 anna per mile. *Vide* Article 556 of the Mysore Service Regulations and also para 1 (*a*) of the Government Order quoted. The mileage of Re. 1-11-0 drawn in excess for the two persons was disallowed, and the required retrenchment slip issued to the address of the Deputy Commissioner, Treasury Department, Hassan District. *Vide* item No. 18.

3. *Contingent Bills, etc.*—The amounts of contingent and other bills for which payees' receipts were not forthcoming are included in items Nos. 10 & 12.

4. *Work Bills.*—The irregularities and defects, etc., noticed as regards work bills are noted below:—

(*a*) Completion certificates were found wanting in support of some final work bills. *Vide* item No. 9.

(*b*) Payees' receipts were not, in many cases, available for examination. *Vide* items Nos. 10 to 13.

The payees' receipts are the important final records to prove the discharge of the claims and they should therefore be obtained in time and filed along with the bills concerned.

In this connection, it is observed that the Vice-Presidents should be instructed to maintain a petty cash book to record the receipt and disposal of all cheques and cash received by them and to show their disposal, after obtaining proper acknowledgments from the parties. All the payees' receipts obtained should be sent to the President's office serially numbered along with an extract of the petty cash book monthly with the accounts. The distinction between a general cash book of the Municipality and a petty cash book should be clearly understood. Circular instructions should be sent at once to all the Vice-Presidents.

(*c*) Most of the measurement books for the year under audit were not available for examination in the President's office and the reason assigned therefor was that they were not received from the Taluks owing to the inclusion of the incomplete works in them. *Vide* item No. 17 (4).

As far as possible, separate measurement books should be maintained for works expected to be completed in a year and they should be filed in the President's office.

(*d*) In some instances, owing to the correction of arithmetical errors in the calculation of quantities as entered in the measurement books, amounts in excess of those claimed in the bills were admitted and passed. There is no objection to such errors being corrected and the correct amounts admissible being passed provided the total so allowed is within the estimate. To pass excess over the estimate even when such excesses are within 5%, proper explanation should be obtained before admitting them and as in the instances noted below, such explanation was not obtained. The amounts passed in excess should be disallowed.

Voucher No. 109 for June 1914.—Metalling the fort road at Channarayapatna.—Amount claimed in the bill by contractor and Vice-President, Rs. 39-12-3; amount due as per corrections made in the measurement books, Rs. 43-12-10; amount passed in the President's office Rs. 43-0-9: amount of the estimate

Rs. 41-0-0; excess over the estimate Rs. 2-0-9; disallowed for want of proper explanation.

(*e*) Almost all the works were measured in June (last month of the official year) and the whole expenditure was incurred in that month even on the last day thereof to avoid the lapse of Budget Grants. *Vide* item No. 17 (6).

(*f*) On the issue of sanctioned budgets, no regular forecast was made of the expenditure to be incurred in the different months of the year with reference to the urgency and importance of the works to be undertaken so that the budgetted expenditure may be equally spread throughout the year and that the records may be fully scrutinized before payment. *Vide* item No. 17 (5).

5. Register of Charges issued for Charges other than those of Establishments.—

(*a*) The conservancy, pound commission and other charges were grouped together for months and entered in the register in the order of the receipt of bills irrespective of the periods of claim. *Vide* items Nos. 14 (3) & 15.

If the charges of each month are not separately noted in the register, it will not be possible to verify with the register any subsequent claims for the portions of the periods for which cheques were issued.

(*b*) Cheques issued in recoupment of Imprests were noted in the register in the order of receipt of the Imprest accounts irrespective of the periods to which the charges appertain and thus no check can conveniently be exercised in the President's office as regards the receipt or otherwise of the Imprest accounts regularly every month from each Municipality and the period up to which each Municipality has recouped its imprest. *Vide* item No. 16. The maintenance of a Contingent Register in form No. 88 of the M. A. M. will obviate this defect.

6. Deposit Registers.—

(*a*) (1) Certain items of deposit repayments though included in the monthly cash accounts were omitted to be noted as such in the Deposit Receipt Register. *Vide* item No. 20 (1—2).

(2) On the other hand, certain other repayments while adjusting the amounts were erroneously charged in the monthly cash accounts to "E. Public Health and Convenience." Cattle pounds (*c*) feeding charges instead of to

„ F. Debt Heads (2) Deposit repayments." Nevertheless the amounts outstanding in the deposit register were noted as adjusted. *Vide* item No. 20 (3).

The amounts referred to should therefore be properly readjusted in the accounts for 1914-15.

The closing balance under deposits for June 1914, as per figures of the President's office was Rs. 4,830-0-9, of which deposits aggregating Rs. 1,590-6-11 relating to the years 1905-06 to 1909-10 have lapsed and should be credited to Revenue. It was stated that needful adjustments will be made in the accounts for December 1914. The balances under deposits as shown in the President's office differs from those shown in the books of the Comptroller and also from those shown in the several Vice-Presidents' offices. As no details are available in the Comptroller's office and as the Deposit Registers maintained in the Vice-President's offices are not accurate records, the figures of the President's office may be taken as correct, and an extract of the Clearance Register for 1913-14 should be sent to all the Vice-Presidents' offices for incorporation in their Deposit Registers and correct maintenance in future.

If an extract of the Deposit Register showing the opening balance, receipts, payments, and balance is obtained from the Vice-Presidents' offices monthly along with the accounts, the correctness of the deposit account is ensured.

7. *Cheques.*—Cheques issued in favour of the contractors for works done in mofussil Municipalities were often drawn on the Hassan District Treasury and delivered to the contractors direct at the President's office. Under this arrangement, the petty cash book of the Vice-President's office will not be a complete record of all the transactions affecting the Municipality and completeness of the list of vouchers will not be ensured.

The most serious objection to the adoption of this course is that the transactions of one Municipality will be recorded in more than one Treasury and that the required verification of the Treasury and departmental balances before submission of the monthly accounts cannot be effected. *Vide* rules 3, 4 & 355.

8. *General Remarks.*—An examination of the Registers and accounts maintained in the Deputy Commissioner's office disclosed that no systematic arrangement was made to bring the rules laid down in the new Municipal Account Mannual gradually into effect.

No attempt was made to get the accounts and returns from the Vice-Presidents' offices in as complete a manner as possible and accurately.

Instructions issued regarding the maintenance of a Treasury pass book and verification of the departmental and Treasury balances have not been complied with.

The new forms and registers received from the Government Press have been sent to the Vice-Presidents' offices without any clear instructions being also given regarding their use and several of them are not intended for use in the Municipalities to which they have been sent. Detailed instructions regarding the use of the forms and registers have been given during the course of recent visit of inspection of the Assistant Comptroller, Mr. B. Srinivasiengar and it is hoped that early steps will be taken in maintaining the accounts and registers according to the rules laid down in the Manual.

9. One important thing to be noticed in regard to the maintenance of accounts in the Vice-Presidents' offices relating to the Municipalities as distinguished from those relating to district funds is the necessity of having the accounts relating to Municipal income and expenditure completely recorded in the Vice-President's office itself.

The general cash book, form No. 98, the classified abstracts, 99 (*a*) and (*b*), a petty cash book, together with Imprest account, Deposit account, and D. C. B. Registers in use as at present, should all be maintained. The Treasury Pass Book, Form No. 95, should be got written up at the Treasury with which the Municipality has transactions, and the Treasury and the Municipal office balances reconciled before submission of the monthly accounts.

10 The defects above noticed existed even in the Hassan Town Municipal office. Under the present arrangement obtaining there, much of the important work connected with the Town Municipality was being done in the Deputy Commissioner's office, Local Fund Branch; to put it briefly, the office of the Vice-President of the Municipality was stated to be responsible for sending monthly to the Deputy Commissioner, an account of the revenue collections made and remitted to the Treasury with the D. C. B. and for furnishing the payees' receipts after the payments sanctioned by the President were made to the proper parties. No regular cash book

of the Municipality was maintained in the Municipal office; the Deposit and Public Works Registers maintained therein were not complete records and preparation of monthly accounts and returns in the Municipal office as required by the rules was not ensured.

11. A serious defect that was noticed in the working of the Hassan Town Municipality was the compilation of the accounts by the same official who was in charge of collection work. The octroi mutsaddi who was responsible for the octroi collection was entrusted with the preparation of the office accounts and under the supervision of the Municipal Overseer who himself was responsible for the Mohatarfa collections. This defective arrangement must be immediately changed and the Hassan Town Municipal office should be so reorganized as to ensure that the khirdis and receipt books are regularly examined by an official not directly responsible for the revenue collection work. *Vide* General explanation and rule 324 of the Municipal Account Manual.

12. Then again, one uniform principle should be adopted in regard to the method of remittance of the Municipal money to the Treasury. Either the Municipal servants should themselves be asked to remit the collection directly to the Treasury, or they should all be asked to remit them to the Municipal office whence it should be sent to the Treasury. *Vide* rule 323. The arrangement subsisting at present is a confusion of the two systems; the octroi collections are made by the mutsaddi in charge and remitted by him to the Treasury but the collections made by him on one day which are remitted to the treasury only on the next office day are required to be paid over to the Municipal overseer who is supposed to be in charge of them till the actual remittance through the Octroi Mutsaddi. This arrangement is for obvious reasons inconvenient and unsafe.

Unless satisfactory arrangements are made to have a Municipal Treasury in charge of a responsible official to receive all Municipal collections in the Municipal office itself for remittance to the Treasury as provided in rules 326 to 331 of the Municipal Account Manual, it is desirable that the simple and alternative method provided for in rule 324 should be adopted; proper security should, however, be obtained from the persons responsible for revenue collections, and safe guards should be provided against money collected being

kept in their hands unremitted for a longer time than what the rules prescribe

13. If the town Municipal office is suitably reorganised so as to provide for revenue collections and compilation of accounts being done by different officials under proper supervision, arrangement can then be made to have all work that should be done by the President of the Town Municipality conducted in the Municipal office itself through the Vice-President, instead of through the Local Fund Branch of the Deputy Commissioner's Office.

The checking and paying of all claims the drawing of cheques, work connected with monthly meetings of the council, in fact, all Municipal work of the Town Municipality except important correspondence affecting Municipal Administration of the District generaly or questions requiring Government sanction will be attended to by the President through his Municipal office and formal comunication between him and the Vice-President will cease. Of course under this arrangement, a grearter deal of responsibility will be thrown on the Vice-President, than at present.

B. SRINIVASA IYENGAR,

Assistant Comptroller and Officer in charge of the Local Audit Department.

GPB—15—21-5-15.

Note on the audit of the Accounts of the Municipality of Hole-Narsipur.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnaswami Iyengar.

Date of Commencement of Audit.—2nd October 1914.

Date of Completion of Audit.—9th October 1914.

Period Occupied (including Holidays) in Current Audit.—Eight days.

The last audit ended on 15th July 1913 and was for the period from 1st July 1910 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balance of cash on hand on the 8th October 1914 out of the sanctioned Municipal Imprest of Rs. 100 was Rs. 41-12-7 which agreed with the balance shown in the Imprest account of that day

PART I.—Action taken on the last audit.

1. No revision of assessment was made even during 1913-14.

2. No explanation was forthcoming for not collecting export pass fees from 25th January to 26th June 1912.

3. The counterfoils of receipts were not used for the recovery of mohatarfa taxes even in 1913-14.

PART II.—Result of current audit.

The result of current audit is embodied in the accompanying 24 sheets of objection statements and only such of them, as are not either satisfactorily answered or are otherwise important are dealt with in this audit note.

1. *Octroi Accounts.*—The important points noticed are the following:—

(*a*) Alterations in the counterfoils of octroi receipts. *Vide* Item No. 1.

(*b*) Certain invoices of piece-goods and cloths were not produced for examination. *Vide* Item No. 2.

(*c*) Short collections of octroi duty and rahadari fee on certain invoices of piece-goods and cloths and also non-realization of the export pass fees on the cloth bundles exported. An instance was noticed in which the export pass fee, though collected and noted in the octroi register, was not remitted to the Treasury. *Vide* Item No. 3.

(*d*) Short collections of duty and rahadari fee in the first instance and remittances of the deficits on some subsequent dates. *Vide* Item No. 4.

(*e*) Duty was collected in excess. *Vide* Item No. 5.

(*f*) Rahadari fees were collected at the scale given below along with the duty recovered:—

For duty collected up to 4 annas—pie 1.
Do above 4 as. and up to 8 as.—pies 2.
Do above 8 as. and up to 12 as.—pies 3.
Do above 12 as.—pies 4.

The number and date of the Government Order sanctioning the levy of the rahadari fees noted above could not be ascertained. *Vide* Item No. 8.

(*g*) The cloth bundles pending the levy of duty often remain in the Taluk Cutcherry for days together. The receipt of such bundles is acknowledged by the Taluk Office and it is therefore essential that some arrangements should be made for their safe custody till they are taken back by the merchants concerned. *Vide* Item No. 9.

(*h*) Octroi duty and rahadari fees on cocoanuts fresh and dry were compounded with two local traders by the recovery from each merchant of a fixed sum of Rs. 2 every week, on the authority of a resolution passed by the Municipal Council on the 5th July 1914.

This system of compounding which is a departure from the ordinary rules of levy of octroi duty was not supported by any order of Government:—

Attention is invited to Rules 131 *et sequentes* which regulate the procedure that should be adopted in such cases.

2. *Pound Accounts.*—(*a*) Short collection of fines to the extent of annas 8 was noticed. This amount has to be recovered and remitted to the Treasury to the credit of Municipal funds as early as possible. *Vide* Item No. 12.

(*b*) Pound register from July 1913 to April 1914 was stated to have been lost and was not therefore available for examination. *Vide* Item No. 13.

3. *Mohatarfa Accounts.*—(1) Demand Register or Khate.—The chief points observed in this register were the following:—

(*a*) Certain lands sold or granted free of price by the Municipality were omitted to be brought on the khate and were omitted to be noted in the two lists of sites belonging to the Municipality and the public. The result was that they were omitted to be assessed. *Vide* Item No. 18 and Rules 28 to 30 and 34 of the Municipal Account Manual.

(*b*) The shop tax of Rs. 25 was not levied for 1912-13 on khate No. 664. The demand against the party concerned should now be increased by that amount and early steps taken for its recovery. *Vide* Item No. 21.

(*c*) No tax was levied on carts belonging to Government Officers. *Vide* Item No. 23.

(*d*) Namthabdil list or list showing the change of registry of the kahtedars was not prepared for 1913-14. *Vide* Item No. 24. Unless these lists are prepared every year, the names noted in the khate will be inaccurate and it will be difficult to ascertain the persons from whom the taxes have been due and have to be recovered.

(2) Mutation or kammi jasti register.—(*a*) The receipt of applications from the tax-payers was not insisted on, for the decreases of assessment.

(*b*) The serial numbers were not noted in the kammi jasti register to facilitate reference in the khate.

(*c*) Kammi jasti numbers were not quoted in the khate for ready reference.

(*d*) The grounds necessitating the change of assessment were not given in the kammi jasti register. *Vide* Item No. 19 and also Rule 34 of the Municipal Account Manual.

(*e*) In cases of the assessment being proposed to be reduced, information as to the date on which the house or shop became vacant or the oil-mill or cart was sold or otherwise disposed of, should be invariably obtained in order to determine the reduction of the tax or otherwise. *Vide* Item No. 22.

(*f*) In cases of remissions of tax on account of vacancy, the full amount of assessment should be carried over to the khates of the subsequent years and orders for the alteration or otherwise for each year sought thereon through the

kammi jasti register in the usual course. *Vide* Item No. 21 and Rules 82 *et sequentes* of the Municipal Account Manual.

(3) Khirdi.—(*a*) The printed counterfoil receipt books were not used for the recovery of the mohatarfa taxes even during the period of current audit. *Vide* Item No. 27.

(*b*) The Government Order No. 6044-54—Ml. 177-07-6, dated 20th January 1910, directing the levy of the taxes in two equal instalments in advance in July and January respectively every year, was not given effect to even in 1913-14. *Vide* Item No. 26 and Rule 76 of the Municipal Account Manual.

(*c*) The mohatarfa collections were remitted to the Treasury only once a month irrespective of the extent of the amount collected, *e.g.*, about Rs. 300 in each of the months of March and April 1914, about Rs. 400 in May 1914 and about Rs. 850 in June 1914. As the Treasury is close by, the collections may be remitted to the Treasury once a week in future. *Vide* Item No. 25.

(4) Baki Patti. (*a*) The total amount outstanding on the 30th June 1914 was Rs. 172 comprising 103 items pertaining to years 1898-99 and onward. Early steps should be taken to recover the arrears some of which have been outstanding from a long time. *Vide* Item No. 28.

(*b*) An item of Rs. 4 being the shop tax included in the baki patti has been outstanding from 1908-09 or for the last 6 years. *Vide* Item No. 29.

(*c*) Special attention is necessary in respect of the recovery of the shop taxes as soon as they become due as otherwise their recovery will be difficult and sometimes even impossible especially in case of petty shop-keepers who keep moving for trade purposes.

(5) Notices and Warrants.—(*a*) For more than 100 items outstanding in the baki patti, only 9 notices were issued in 1913-14 all of which were for khatedars living outside the town. Out of those 9 notices, the amounts due were fully recovered from 4 khatedars and only the tax due from the 5th khateder in spite of the recovery having been made more than 2 months subsequent to the issue of notice. The notice fee referred to should now be recovered and credited in the accounts.

(*b*) No coercive measures were taken for the recovery of the arrears of taxes by the issue of notices and warrants

to all the defaulters in the year of audit as required. *Vide* Item No. 30.

(6) Licenses.—License register was not maintained and plans did not accompany the applications for licenses so as to enable the Municipality to guard against encroachments. *Vide* Item No. 31 and also Rules 188 *et sequentes* of the Municipal Account Manual.

(7) Encroachments.—Fines ~~levied~~ imposed so far back as 10 or even 16 years have yet been outstanding in the accounts and the reason assigned therefor was the non-disposal of the correspondence. Another point to be considered is that in case of the verandah having been put up encroaching the Municipal land about 16 years ago, neither the verandah was removed nor was any value realized for the encroached land up to date. *Vide* Item No. 32.

4. *Market.*—A market has been built by the Municipality for the use of the public. It is a matter for consideration of the Municipal council whether any fees should not be levied for its use. *Vide* Item No. 33 and also Rules 215 to 218 of the Municipal Account Manual.

5. *Register of Municipal Properties yielding and not yielding revenue*—vide *Rules 210 to 214, 220, 237 and 238 of the Municipal Account Manual.*—A register embodying all Municipal properties including buildings, lands, house sites, trees and manure, etc., periodically auctioned may be maintained and all changes effected from time to time noted in the register so that it may always serve as an accurate record for reference. *Vide* Item No. 33.

The two lists of sites prepared so far back as 1895 one of which belonging to the Municipality and the other to the taxpayers were not maintained up to date by noting therein all transfers effected since then. Unless these lists are revised with reference to the records of the previous years and maintained always up to date it will not be possible to distinguish Municipal property from those of the public and also to guard against encroachments upon Municipal lands. *Vide* Item No. 34.

6. *Imprest Account.*—(*a*) Out of the Imprest of Rs. 100 sanctioned for the Municipality, Rs. 51-7-6 being the expenditure incurred in June 1900 for repairing some lanterns and the cost of certain works executed, etc., were not recouped up to date. *Vide* Item No. 15.

(*b*) One and the same counterfoil receipt book is maintained for obtaining

the receipts from the payees for payments made out of District and Municipal funds. To avoid confusion, separate books may be maintained for each of the two funds in future. *Vide* Item No. 16.

7. *Acquittance Rolls.*—(*a*) The thumb impressions taken were not full and clear so as to identify the persons concerned.

(*b*) Some of the Municipal employees did not insure or further insure their lives in the Mysore State Life Insurance. *Vide* Item No. 35.

8. *Stock Book for Stores*—vide *Rules 269 to 271 of the Municipal Account Manual.*—In July 1913, certain tools were ordered by the Vice-President to be sold by public auction as unserviceable and deducted out of stock in the register. It was not known whether their sale proceeds were remitted to the Treasury to the credit of the Municipal funds. *Vide* Item No. 36.

9. *Register of the Stock of Printed Forms and Registers including Counterfoil Receipt Books.*—(*a*) No account was maintained therefor. It is very essential that a register should at once be opened taking as starting balance the number of each kind of form on hand and continued to be regularly written up from day to day as receipts and issues occur taking the signatures of the parties concerned against all issues.

(*b*) To prevent misuse, all forms, etc., should be carefully preserved under lock and key. *Vide* Item No. 37.

Assistant Comptroller and
Officer in charge of the
Local Audit Department.

I.

Comparative Statement of Octroi Revenue in the Hole-Narsipur Municipality from 1911-12 to 1913-14.

Names of articles	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
1. Cocoanuts, fresh	70 11 5	145 15 7	80 9 2	
2. Do dry	21 4 7	56 1 4	24 9 9	
3. Betel-leaves ...	285 0 8	332 4 10	325 13 7	
4. Tobacco ...	87 7 0	82 10 0	91 14 6	
5. Piece-goods and cloths.	2,016 2 10	2,145 14 5	2,679 12 3	
6. Kerosine oil ...	152 10 0	239 15 0	241 4 0	
7. Rahadari fees ...	26 7 5	61 3 0	45 13 5	
Total ...	2,659 11 11	3,064 0 2	3,489 12 8	

II.

Demand, Collection and Balance Statement of Mohatarfa Taxes of the Hole-Narsipur Municipality for the year 1913-14.

	Opening balance	Current year's demand	Total	Collections during the year	Closing balance	Remarks
Hole-Narsipur Municipality	Rs. a. p. 444 9 0	Rs. a. p. 2,130 2 0	Rs. a. p. 2,574 11 0	Rs. a. p. 2,402 11 0	Rs. a. p. 172 0 0	

III.

Comparative Statement of Mohatarfa Balances outstanding in Hole-Narsipur Municipality at the close of each year from 1911-12 to 1913-14.

Kind of tax	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
House tax ...	19 4 0	242 14 0	52 4 0	
Shop tax ...	8 0 0	75 4 0	23 0 0	
Oil-mill tax ...	.....	8 0 0	4 0 0	
Cart tax ...	.....	29 8 0	16 0 0	
Site tax ...	6 6 0	23 15 0	11 12 0	
Miscellaneous ...	65 0 0	65 0 0	65 0 0	
Total ...	98 10 0	444 9 0	172 0 0	

IV.

Comparative Statement of Cattle Pound Collections in the Hole-Narsipur Municipality from 1911-12 to 1913-14.

—	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Pound collections...	130 10 0	125 9 6	65 1 6	

V.

Comarative Statement of Credits and Repayments of Deposits in the Hole-Narsipur Municipality from 1911-12 to 1913-14.

—	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Opening balance ...	28 12 4	53 13 10	8 9 10	
Receipts ...	84 5 0	31 12 0	31 1 6	
Total ...	113 1 4	65 9 10	39 11 4	
Repayments ...	79 3 6	57 0 0	8 9 10	
Closing balance ...	33 13 10	8 9 10	31 1 6	

GPB—12—2-2-15

Note on the Audit of the Accounts of the Arkalgud Municipality (of Hassan District).

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnaswami Iyengar.

Date of Commencement of Audit.—12th October 1914.

Date of Completion of Audit.—17th October 1914.

Period occupied (excepting holidays) in current audit 6 days, against last audit 13 days.

Names of President and Vice-President who held Office during the Period of Audit.—

1913-14.—P. R. W. Wetherall, Esq., President.

Mr. G. S. Ramaswami Iyengar, B.A., Vice-President.

The last audit ended on 20th October 1913; and was for the period from 1st July 1910 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of cash balance.—The balance of cash on hand on the 13th October 1914, out of the imprest of Rs. 100 sanctioned for the Municipality was Rs. 89-12-0, which agreed with the balance shown in the imprest account of that day.

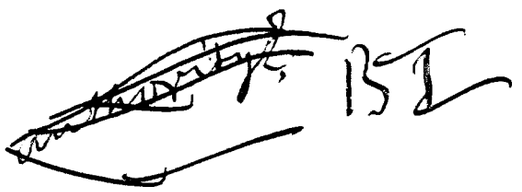
PART I.—*Action taken on the Last Audit.*

(1) A register was opened for cart taxes levied in 1913-14.

(2) A register was opened and maintained from 1913-14, for watching the recovery of rent for the old Post office building belonging to the Municipality.

(3) Cash book was maintained in the prescribed printed form from the commencement of the year 1913-14.

(4) A register showing the cloth bundles received in the ookad for the levy of octroi duty was opened from 1st July 1914.



(5) Export pass fee was commenced to be levied from 1st July 1914.

(6) The revision list of assessment was stated to have been prepared and circulated to the Municipal Councillors.

(7) The other objections were duly disposed of and the amounts retrenched were recovered and remitted to the treasury in 1913-14.

PART II.—*Result of Current Audit.*

The result of current audit is embodied in the accompanying 22 sheets of objection statements and only such of them as are not either satisfactorily answered or are otherwise important are dealt with in this audit note.

1. *Pound Accounts.*— Thefollowing are the points noticed in the Pound Accounts. Rules 221, *et seque* of the Municipal Account Manual should be strictly observed in future.

(*a*) (1) Thenumber and description of each head of cattle impounded were not, in most cases, given in the counterfoil receipts.

(2) Annas four less recovered towards fines on three she-buffaloes should now be recovered and remitted to the treasury for credit to Municipal Funds.

(*b*) Different kinds of cattle impounded were entered indefinitely in the counterfoil receipts as "dunavina rasee" meaning "cattle in general" instead of mentioning the number and full description of different kinds of cattle so as to identify each of them. *Vide* item 2.

(*c*) Amounts of fine entered in the pound register were, in some cases, more than those entered in the counterfoil receipts of releases. (*Vide* item 3.)

(*d*) (1) The description given in the counterfoil receipts of releases and pound register were different in some instances.

(2) A sum of annas four, though recovered as per counterfoil receipt of releases, was not credited in the pound register. (*Vide* item 4.)

The amount should now be recovered from the party concerned and remitted to the treasury to the credit of the Municipal funds.

(*e*) *Belated Remittances of Pound Collections.*—A sum of annas ten which should have been remitted to the treasury in July 1913, along with the other collections, was remitted in the next month

(August 1913) when the mistake was found out. (*Vide* item 5.)

(*f*) Pound collections were remitted to the treasury only once a month instead of once a week. (*Vide* item 6, and rule 228 of the Municipal Account Manual.)

(*g*) There was a delay of nearly seven months in the disbursement of pound commission after the encashment of the cheque concerned. (*Vide* item 7, and rule 343 of the Municipal Account Manual.)

2. *Octroi Accounts.*—(*a*) The serial numbers of the octroi register for the official year 1912-13, were continued for the items of collections made in 1913-14, instead of commencing with fresh numbers. (*Vide* item 8 (1).)

(*b*) The counterfoil receipt books and the duplicates of invoices were not kept arranged in chronological order for purposes of audit. (*Vide* item 8 (2).)

(*c*) The total amount of duty and rahadari fees collected from each individual were not properly noted in the respective cages of the money column in the octroi register so as to avoid confusion. (*Vide* item 8 (5).)

(*d*) The octroi register from 23rd January to 30th June 1914, was maintained in manuscript. (*Vide* item 8 (6).)

(*e*) No treasury credit certificates were obtained for some amounts remitted to the treasury. In some instances, the certificates were not signed by the Sheristadar as Taluk Treasury Officer. (*Vide* item 8 (7).)

(*f*) Duty was recovered in excess of the amount due. (*Vide* item 8 (8).)

(*g*) The number or quantity of articles and amounts of duty realized thereon as entered in the octroi register were more than those entered in the counterfoil receipts. (*Vide* item 8 (10).)

(*h*) Short collections of duty to the extent of pies nine. (*Vide* item 8 (11).) The amount should be recovered and remitted to the treasury for credit to Municipal funds.

(*i*) Export pass fee was not levied even during 1913-14.

(*j*) Storage fee was not levied on cloth bundles remaining in the ookad beyond a week pending the levy of octroi duty.

3. *Khate.*—Some serial numbers in the khate for 1912-13, were altered when preparing the khate for 1913-14, without assigning reasons therefor. (*Vide* item 9.)

4. *Kammi Jasti Register.*—(*a*) The items in the kammi jasti register were not serially numbered. (*Vide* item 10 (1).)

(*b*) Most of the items of increases were erroneously noted in the column of decreases in the kammi jasti register, though they were all correctly posted into the khate. (*Vide* item 10 (4).

5. *Khirdi.*—(*a*) The prescribed printed counterfoil receipt books were not used for the recovery of the Mohatarfa taxes during 1913-14. (*Vide* item 11 (1).)

(*b*) Government Order No. 6044-54—Ml. 177-07-6, dated 20th January 1910, directing the recovery of taxes in two equal instalments in advance in July and January respectively every year was not given effect to even in 1913-14.

(*c*) The mohatarfa collections were invariably remitted to the treasury once a month instead of once a week. (*Vide* item 11 (2) and rule 65 of the Municipal Account Manual.)

6. *Bakipatti.*—(*a*) The details of the bakipatti for the 30th June 1914 were more than the total amount entered therein by annas four. The total should now be increased by that amount.

(*b*) Certain differences were noticed between the details and the totals of different taxes pertaining to the year 1913-14 which need rectification. (*Vide* item 12 (3).)

(*c*) The total balance in the bakipatti on the 30th June 1914 was Rs. 619-12-0 which is made up of 237 items. The balance has been steadily increasing from year to year. It is very desirable that prompt steps should be taken to reduce the outstandings as much as possible by the timely issue of notices and warrants, etc.

(*d*) It may be stated here that the taxes of some of the wealthy merchants and landholders have been shown as outstanding in the bakipatti which require verification with the original pattas and other records available with the khatedars concerned. (*Vide* item 14-8 *c*).)

(*e*) A sum of Rs. 9-4-0 included in the bakipatti as "Nadakale" has been outstanding in the accounts from a long time. (*Vide* item 13.) It should also be recovered early.

7. *Notices, Warrants and Notice Register.*—(*a*) 1. Out of 237 items outstanding in the bakipatti, 204 notices were issued (4 on the 30th March 1914 and 200 on 30th April 1914) and only 32 were

produced for examination out of which 19 had been served in May 1914 and 13 in June 1914. (*Vide* item 11 (1) and (2).)

The points that require to be noticed in this connection are:—

(1) Notices were not issued to all the khatedars against whom the taxes were outstanding.

(2) The notice register was not maintained in the prescribed form, so that the different stages of the action taken for the enforcement of the recovery of each item may be readily ascertained. (*Vide* item 14 (2).)

(3) Even among the 32 notices served, there were delays of even months in the service of most of them.

(*b*) The taxes in arrears were partially recovered even after the issue of notices. (*Vide* item 14 (5) and also rule 77 of the Municipal Account Manual.)

(*c*) The notice register was not examined by anybody.

(*d*) The number of warrants issued as per notice register during 1913-14 were 69 but none of them were either served or the taxes mentioned therein were recovered. It is not known why warrants were not issued for the rest of the items outstanding in the accounts for a long time (*Vide* item 14 (8).)

(*e*) The instructions contained in rules 70 to 73 of the Municipal Account Manual should be strictly followed in future.

8. *Lists of Sites.*—Two lists dated 9th December 1895 were maintained, one of sites belonging to the Municipality and the other of those pertaining to the taxpayers. No note was made in the lists of the sites since sold or otherwise transferred and the lists cannot therefore be correct records. (*Vide* item 15.) The lists should be revised with reference to the sale records, etc., for the entire period (from the date of the preparation of the lists up to date) and thus should be brought up to date. Unless that is done, the Municipal lands cannot be distinguished from the private holdings and also encroachments cannot be guarded against.

9. *Licenses.*—(*a*) No license register was maintained. (*Vide* item 16 (1) and rule 188 *et seque* of the Municipal Account Manual.)

(*b*) Plans are not insisted on to accompany the applications for building licenses. The result is that encroachments cannot be guarded against and the

constructions or improvements of buildings according to sanitary principles cannot be enforced.

10. *Miscllaneous Demand Register.*—(*a*) Rent at Re. 1 per month of the Municipal building known as the old Post office, has been outstanding against Mr. Nagasesha Pandit, Proprietor of the Native Vaidyasala and Municipal Councillor from October 1913 and onward or for more than a year. In spite of two notices having been issued on 21st April and 20th September 1914, the rent in arrears was not recovered and no further action taken thereon. (*Vide* item 17 (1).)

(*b*) No register was maintained of all Municipal properties yielding and not yielding revenue. (*Vide* item 17 (2) and rule 13 of the Municipal Account Manual.)

11. *Deposit Register.*—Rs. 26-8-0, being the value of certain lands recovered were credited to deposits in May 1910 and it remained unadjusted up to the close of June 1914, *i.e.*, for more than 4 years. (*Vide* item 18 and rule 366 of the Municipal Account Manual.)

12. *Measurement Books.*—These were stated to have been sent to the President's office, Hassan, for some reference and were not therefore available for examination (*Vide* item 19.)

13. *Register of Tools and Plants.*—(*a*) The stock register was first opened from 1st July 1913. (*Vide* item 20 (1).)

(*b*) The purchases of tools, etc., made for the Municipality and Unions were entered in the register on the same page. (*Vide* item 20 (2).) The accounts pertaining to the District and Municipal Funds should be separately maintained in future though in the same register.

(*c*) The register did not seem to have been examined by anybody. (*Vide* item 20 (3).)

14. *Cash Book.*—(*a*) It was maintained in Kanarese instead of in English. (*Vide* item 21 (1) and rule 10 of the Municipal Account Manual.)

(*b*) Certain differences were noticed between the cash accounts and the subsidiary registers. (*Vide* item 22.)

(*c*) Certain amounts were not disbursed to the parties concerned even after the lapse of four months from the date on which they were drawn from the treasury. (*Vide* item 23 and rule 343 of the Municipal Account Manual.)

15. *Acquittance rolls.*—(*a*) The thumb impressions were not full and clear so as to identify the persons concerned. (*Vide* item 24 (1).)

(*b*) Against the pay drawn for a Municipal peon for April 1914, neither the signature nor the thumb impression was obtained. (*Vide* item 24 (2).) Whether the pay was disbursed or not was not ascertainable.

(2) The pay of two sweepers of Konanur Union at Rs. 5 each per mensem for October 1913 was sent to the Shekdar of that place for disbursement. The disbursement list therefor was not obtained up to date. (*Vide* item 25 (2).

(3) The horse allowance of Work Inspector M. Kuppusawmi Mudaliar at Rs. 7 per mensem from July 1913 to April 1914 was disbursed to him on 16th July 1914 and his signatures were taken against the amounts noted in the column of "Held over for future payment" in the acquittance rolls for those months. (*Vide* item 25 (3).) Separate acquittance roll should have been prepared for the total amount of the supplemental bill and the Work Inspector's acknowledgment taken thereto.

16. *Service Registers.*—The service register of octroi mutsaddi Hiriyannaiya was verified only up to 30th June 1913 and the leave of three months and five days granted to and enjoyed by him from 18th May to 22nd August 1914 was not noted therein up to date. The reason assigned for the omission was that the orders of the President were not received as to how the leave has to be treated. (*Vide* item 26.)

17. *Security Deposits.*—The pound-keeper is the *acting* Police patel who has no hereditary hak to the office of patel. As he has to deal with Municipal revenue the required security deposit should be obtained from him. (*Vide* item 27.)

18. *Stock Book of Forms.*—This was not maintained. A register should be opened for the purpose from the commencement of the current official year 1914-15, taking as starting balance the number of each kind of form or register and different counterfoil receipt books now on hand and continued to be written up from day to day as the receipts and issues occur. (*Vide* rule 377 of the Municipal Account Manual.)

Assistant Comptroller
and Officer in charge of the.
Local Audit Department.

Statement

I.

Comparative Statement of Octroi Revenue in the Arkalgud Municipality for the years from 1911-12 to 1913-14.

Names of articles	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Coccanuts, dry	26 7 4	14 15 10	16 12 0	
Do fresh	89 3 5	43 14 5	42 3 11	
Betel-leaves	301 9 1	262 15 5	286 0 7	
Tobacco	58 10 10	53 14 6	57 5 9	
Piece-goods and clot. s ...	1,066 12 1	1,183 8 11	892 3 9	
Kerosene oil	217 7 0	172 7 0	204 10 0	
Rahadari fees	20 1 5	18 1 2	18 15 4	
Total ...	1,780 3 2	1,749 13 3	1,518 3 4	

II.

Demand, Collection and Balance Statement of the Mohatarfa Taxes in the Arkalgud Municipality for the year 1913-14.

	Opening balance	Current year's demand	Total	Collections during the year	Closing balance	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Arkalgud Municipality.	496 1 7	1,876 2 8	2,372 4 3	1,752 8 3	619 12 0	

III.

Comparative Statement of the Mohatarfa Taxes outstanding in the Arkalgud Municipality at the close of each year from 1911-12 to 1913-14.

Kind of tax	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
House tax	290 5 5	268 15 7	324 7 2	
Shop tax	165 0 0	166 9 8	197 6 2	
Cart tax	30 12 0	34 12 0	49 12 0	
Site tax	23 4 8	25 12 4	36 4 0	
Notice fees ...	...	...	2 8 0	
Interest	...	...	0 2 8	
Nadakale	...	...	9 4 0	
Total ...	509 6 1	496 1 7	619 12 0	

IV.

Yearwar Comparative Statement of the Mohatarfa Taxes outstanding in the Arkalgud Municipality at the close of each year from 1911-12 to 1913-14.

Years	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
1901-02	1 8 0	1 8 0	1 8 0	
1902-03	1 0 0	1 0 0	1 0 0	
1903-04	1 0 0	1 0 0	1 0 0	
1904-05	1 0 0	1 0 0	1 0 0	
1905-06	0 4 0	0 4 0	0 4 0	
1906-07	1 12 0	1 12 0	1 12 0	
1907-08	5 12 0	5 12 0	3 12 0	
1908-09	2 0 0	1 12 0	1 12 0	
1909-10	17 10 11	12 13 4	7 13 4	
1910-11	71 12 8	37 5 8	23 6 8	
1911-12	405 10 6	95 6 10	48 15 0	
1912-13	...	336 7 9	98 5 11	
1913-14	...	...	429 3 1	
Total ...	509 6 1	496 1 7	619 12 0	

V

Comparative Statement of Cattle Pound Collections in the Arkalgud Municipality from 1911-12 to 1913-14.

	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Pound collections	64 8 0	92 4 0	79 1 0	

VI.

Comparative Statement of Credits and Repayments of Deposits in the Arkalgud Municipality for the years from 1911-12 to 1913-14.

	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Opening balance	26 8 0	52 12 0	34 5 0	
Receipts	40 10 0	25 0 0	86 0 10	
Total ...	67 2 0	77 12 0	120 5 10	
Repayments	14 6 0	43 7 0	*38 1 0	* As per accounts Rs. 47-1-0.
Closing balance	52 12 0	* 34 5 0	82 4 10	

GPB—15—1-2-15

Note on the Audit of the Accounts of the Municipality of Belur.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnasami Iyengar.

Date of Commencement of Audit.—24th December 1914.

Date of Completion of Audit.—30th December 1914.

Period occupied (excepting holidays) in current audit.—Christmas Holidays 7 days.

Names of President and Vice-President who held office during the period of audit:—

Period.	P. R. W. Wetherall, Esq.,
1913-14.	President.

VICE-PRESIDENTS.

1st July 1913 to 31st January 1914, Mr. M. Keshavaiya, B.A.

1st to 28th February 1914, Mr. T. Raghavendra Rao.

1st March to 30th June 1914 and onward, Mr. K. Lingopanth Badami, B. A.

The last audit ended on
and was for the period from 1st July 1910 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balance of cash on hand on 28th December 1914 out of the sanctioned Municipal Imprest of Rs. 100 was Rs. 72-7-11 which agreed with the balance shown in the imprest account of that day.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

The last audit note was pending disposal in the President's Office, Hassan. Needful action has been taken in respect of all the objections noticed in last audit, except that the assessment list recently revised has not yet been brought into effect.

The revision list prepared by a Sub-Committee appointed for the purpose was approved by the Council finally in its meeting on 16th January 1915, and the same was submitted to the President on 15th

March 1915 for orders being issued to bring the revision into force from 1st July 1915.

PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 11 sheets of objection statements, and only such of them as are not either satisfactorily answered or are otherwsie important are dealt with here.

1. *Octroi Accounts.*—The irregularities noticed in the octroi accounts are the following:—

(1) Octroi is levied in this Municipality on cloth and the following sundry articles:—

1. Cocoanuts, fresh and dry,
2. Betel leaves, and
3. Tobacco.

2. (*a*) Duty recovered on some of the articles, *viz.*, (1) cocoanuts fresh and dry, and (2) tobacco, was uniformly the same which is peculiar, *vide* item No. 4.

(*b*) Alterations of figures in the counterfoil receipts so as to reduce the duty recoverable, which is highly objectionable and suspicious, should not be permitted, *vide* item No. 5. In such cases, it would be wise to have the erroneous receipt cancelled and fresh receipts issued instead.

(*c*) Duty recovered was more in comparison with the quantity or number of the articles entered in the Receipt and Octroi Register, *vide* item No. 7. Either the quantity entered should be less or duty recovered should be more.

(*d*) While the printed counterfoil Receipt Books were available for use, some 12 receipts of the 16th February 1914 were in manuscript forms, *vide* item No. 9.

(*e*) Monthly and yearly abstracts of total collections (babwar were not prepared at the close of each month and year, *vide* item No. 11.

Duty on cloth is being recovered at the Taluk Office under the supervision of the Sub-Registrar, and a register is also maintained to record the receipt and disposal of cloth bundles. The arrangement regarding the collection of duty on other articles is not all that could be desired.

There is no katte nor any separate staff employed on octroi collection work. Collections are made only at the shandy. For some time, they were being made by the shanbhog, and latterly the work is entrusted to the conservancy daffadar. Duty is recovered from the merchants, not according to the quantity of goods

brought for sale at the shandy, but at a uniform rate at one anna or two annas or more, according to some arbitrary rate fixed, apparently no supervision is exercised over the shandy collections.

In the resolution dated 20th March 1915, the Municipal Council resolved that with a view to improve the finances of the Municipality, octroi should be levied on ghee, butter, kerosene oil, jaggory and sugar; but before doing so, the Council would do well to see if the revenue under this head cannot be increased by proper supervision of the collections at the shandy. One or two Municipal Councillors may by turns supervise these collections.

2. *Mohatarfa Accounts.*— (*a*) (1). In the Kammi-Jasti Register prepared for 1914-15, it was observed that the demand on account of cart tax against Mr. Keshavaiya, the late Amildar, was not reduced, and that for the cart maintained by the present Amildar, Mr. Lingopanth Badami, not entered.

(2) The serial numbers of the Kammi-Jasti Register were not quoted in the Khate against the items of the increases and decreases of assessment concerned for ready reference.

(*b*) The counterfoil receipt books were not used for the recovery of the mohatarfa taxes, *vide* item No. 14.

(*c*) The mohatarfa collections were, in some months, remitted only once a month and in others twice a month, *vide* item No. 13. Remittances should be made at least once a week in future.

(*d*) The mohatarfa taxes in arrears outstanding in the Bakipatti on the 30th June 1914 amounted to Rs. 135-0-0, which pertain to 14 years commencing from 1900-01, as per statement IV appended.

In the Notice Register maintained, the date of service of notice and the further action taken for the recovery of arrears were not noted.

A sum of Rs. 5 has been outstanding on account of tax due on Barr Lines for five years from 1909-10 to 1913-14. The Military Department should be furnished with a bill and asked to adjust the amount.

A sum of Rs. 11 has been outstanding in the accounts for a long time on account of house tax due from one Ranganna (Khate No. 176). A sum of Rs. 15 was received on that account and kept under deposits in July 1904, and the same has now lapsed. The claim has therefore to be written off the accounts.

3. *Miscellaneous Items of Revenue.*— The miscellaneous items of revenue, *i. e.*

sale of manure, collections on account of market at the fairs are remitted to the Treasury on ordinary chellans, and no regular record for comparing such receipts of one year with the next is maintained. Either a Miscellaneous Demand Register may be maintained or the remittances made through a separate remittance register in Form 93 through the Taluk Office.

4. *Deposit Registers.*—The closing balance for June 1914 had not been worked out, and the items outstanding were not adjusted in time as required by rules. The correct balance should be obtained from the President's Office and the Deposit Register should be maintained so as to show the opening balances, the receipts, payments and the closing balance during each month.

5. *General Remarks.*—The accounts and registers in the Taluk Office were somewhat in confusion at the time of the visit of inspection of the Assistant Comptroller in the 4th week of March 1915. There was no permanent hand in charge of the Local Fund work. In the Cash Book maintained at present, payments made out of imprest in cash were shown as final charges, and the cheques received from the President were charged in the month in which they were received and cashed by the Vice-President.

In the petty cash book that was maintained, cheques received by the Vice-President for delivery to the contractors were not entered. Only those received in the name of the Vice-President on account of contingent expenditure for which at present a Contingent Register was also maintained in manuscript were noted in it.

The distinction between a General Cash Book, Petty Cash Book and Imprest Account was not understood. The Treasury Pass Book as required in Rule 4 of the Municipal Account Manual and Comptroller's Circular No. 4852—L. A. D—483, dated 29th December 1914, was not maintained.

If the clear instructions given during the Assistant Comptroller's visit of inspection are carefully attended to and the new forms and registers required to be brought into use are maintained, the defects above noticed will be remedied.

B. SRINIVASIENGAR,

Assistant Comptroller and Officer in charge of the Local Audit Department.

12-4-15.

I.

Statement of Octroi revenue in the Belur Municipality for the years 1912-13 and 1913-14.

	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	
Cocoanuts, dry ...	54 1 9	41 0 6	
Do fresh ...	95 1 0	77 9 7	
Betel leaves	172 10 10	166 10 10	
Tobacco	48 15 7	52 6 0	
Cloths including piece-goods.	891 15 10	1,016 14 7	
Total ...	1,262 13 0	1,354 9 6	

II.

Statement of Octroi refunds in the Belur Municipality during the years 1912-13 and 1913-14.

	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	
Refund of octroi duty ...	.....	.....	

III.

Statement showing the arrears of mohatarfa taxes outstanding at the close of each year in the Belur Municipality from 1911-12 to 1913-14.

	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mohatarfa balance on 30th June.	132 0 0	141 10 0	135 0 0	

IV.

Statement showing the arrears of the mohatarfa taxes outstanding in the Belur Municipality on the 30th June 1914.

—	House tax	Shop tax	Oil-mill tax	Cart tax	Total	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
1900-01	.....	.....	.....	2 0 0	2 0 0	
1901-02	.....	.....	.....	2 0 0	2 0 0	
1902-03	.....	8 0 0	.....	.....	8 0 0	
1903-04	1 8 0	18 0 0	.....	2 0 0	21 8 0	
1904-05	2 8 0	.....	.....	.....	2 8 0	
1905-06	1 0 0	.....	.....	.....	1 0 0	
1906-07	1 8 0	.....	.....	.....	1 8 0	
1907-08	1 0 0	.....	.....	.....	1 0 0	
1908-09	1 0 0	4 0 0	.....	.....	5 0 0	
1909-10	6 8 0	2 8 0	.....	.....	9 0 0	
1910-11	10 0 0	8 0 0	.....	.....	18 0 0	
1911-12	11 8 0	2 0 0	.....	.....	13 8 0	
1912-13	15 4 0	.....	.....	.....	15 4 0	
1913-14	26 4 0	2 8 0	4 0 0	2 0 0	34 12 0	
Total ...	78 0 0	45 0 0	4 0 0	8 0 0	135 0 0	

V.

Statement showing the demand, collection and balance of the mohatarfa taxes outstanding in the Belur Municipality for 1913-14.

—	Opening balance on 1st July 1913	Demand for 1913-14	Total	Collections in 1913-14	Closing balance	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mohatarfa taxes, Belur Municipality... ..	141 10 0	1,608 8 8	1,750 2 8	1,645 2 8	135 0 0	

VI.

Detailed statement of the demand, collection and balance of the mohatarfa taxes outstanding in the Belur Municipality for 1913-14.

—	House tax	Sheep tax	Oil-mill tax	Cart tax	Notice fees and interest	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1913	76 2 0	58 8 0	.....	7 0 0	.....	141 10 0
Demand for 1913-14	922 4 0	457 0 0	156 0 0	103 0 0	0 4 8	1,608 8 8
Total ...	998 6 0	515 8 0	156 0 0	110 0 0	0 4 8	1,750 2 8
Collections in 1913-14	920 6 0	470 8 0	152 0 0	102 0 0	0 4 8	1,645 2 8
Balance on 30th June 1914	78 0 0	45 0 0	4 0 0	8 0 0	.....	135 0 0

GPB—15—12-6-15

Note on the audit of the Accounts of the Municipality of Channarayapatna.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnaswamy Iyengar.

Date of Commencement of audit.—24th September 1914.

Date of completion of audit.—30th September 1914.

Period occupied (excepting holidays) in current audit 4 days against last audit 9 days.

The last audit ended on 25th August 1913 and was for the period from 1st July 1910 to 30th June 1913; the present audit is for the peroid from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balance of cash on hand on the 24th September 1914 was Rs. 25-15-1 which agreed with the balance shown in the Municipal imprest account of that day.

PART I.—Action taken on the Last Audit.

(1) Less recovery of Octroi duty to the extent of 11 pies referred to in item No. 16 of the objection statement.—The amount was not recovered till the close of the current audit.

(2) The table showing the rates of fines and feeding charges was not hung up in a conspicuous part of the cattle pound for the information of the public.

(3) Counterfoil receipt books were not used for the recovery of the Mohatarfa taxes, the reason stated therefor being the non-receipt of the books from the Government Press. They should be indented for and obtained in time.

(4) Cash book was not written up from day to day as transactions actually took place.

It is necessary that all transactions concerning the Local Funds Revenue or expenditure should be arranged to pass through the Local Fund clerk in future

so that the Local Fund accounts may be independently verified with the figures in the Treasury. *Vide* Rule 324, Municipal Account Manual.

(5) Out of the Imprest of Rs. 100 sanctioned for the Municipality, Rs. 70-8-11 being the expenditure incurred in 1906-07 was not recouped till the close of September 1914.

(6) The previous audit note and objection statements connected therewith were not sent back to the Comptroller's office till the closing of current audit.

PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 18 objection statements and only such of them as are not either satisfactorily answered or are otherwise important are dealt with in this audit note.

1. *Octroi Accounts.*—The main irregularities noticed in the Octroi accounts are the following :—

(1) Alterations in receipts and Octroi register. The number or weight of the articles on which duty was recovered was altered to a lower figure and duty proportionate thereto was shown as collected. *Vide* objection statement No. 1.

(*a*) The alterations in figures to less number are always suspicious.

(*b*) Alterations in figures of the receipts are highly objectionable.

If any clerical errors in the receipts require to be corrected, it would be better to use fresh receipts after marking as " cancelled " on both the foils of the spoiled ones duly attesting them.

(2) There was difference between duty entered in the receipt and that noted in the Octroi register. *Vide* objection statement No. 1.

(3) Counterfoil receipt books numbers 10 to 12 from 31st January to 24th March 1914 were in manuscript forms. *Vide* objection statement No. 2.

(4) There were instances in which duty was recovered less though to a small extent. *Vide* objection statement No. 2.

(5) Instances of excess recovery of duty are detailed in objection statement No. 3.

(6) Receipt numbers were not entered from 25th July to 27th December 1913 in the Octroi register separately maintained for the collection of duty on

piece-goods and cloths. *Vide* objection statement No. 3.

(7) Rahadari fees were recovered on cloth bundles at 4 pies per bundle irrespective of the amount of duty collected and for the other dutiable articles, the rates recovered were 2 pies if duty recovered be within 8 annas and 4 pies for duty recovered from 8 annas and above. Even that rule was not strictly enforced. *Vide* objection statement No. 4.

(8) Annas 3 being the duty recovered on cloths as per counterfoil receipt No. 50, dated 25th July 1913 marked as "cancelled," the original of which was not forthcoming, were not credited in the accounts. *Vide* objection statement No. 5. The amount should be recovered and remitted to the Treasury for credit to Municipal Funds.

2. *Cattle Pound Accounts.*—The following were the points noticed in the Pound accounts:—

(1) The amounts of fines and feeding charges shown as collected in the counterfoils of receipts of releases were less than those entered in the Octroi register. *Vide* objection statement No. 7.

(2) The number, date and other particulars of cattle sold and also their sale proceeds showing separately fines and feeding charges were not noted in the Pound register. *Vide* objection statement No. 7.

(3) Pound collections were being remitted to the Treasury only once a month till November 1913 and thereafter twice a month. *Vide* objection statement No. 8.

The remittances of collections should be made every week in future. *Vide* Rule 228 of the Municipal Account Manual.

3. *Mohatarfa Taxes.*—(*a*) Kammi Jasti register.—(1) The jamabandi for 1913-14 was undertaken so late as the 25th June 1914 almost at the close of that official year. *Vide* objection statement No. 8.

(2) Kammi Jasti register serial numbers were not quoted in the Khate against the increases and decreases concerned. *Vide* objection statement No. 8.

(3) The assessment taken from the previous year's Khate was scored out wherever there were increases or decreases and the amount of assessment according to the current year's jamabandi was entered instead. The alterations in the Khate create confusion. *Vide* objection statement No. 8. The increases and

decreases in assessment may be noted with plus and minus entries mentioning the kind of tax altered just below the total amounts originally entered in the Khate. Rule 52 of the Municipal Account Manual should be observed in this connection.

4. *Mohatarfa Accounts.*—(*b*) Kiridi. The following are the points observed :—

(1) Printed counterfoil receipt books were not used for the recovery of Mohatarfa taxes even in 1913-14. *Vide* objection statement No. 9.

The required number of books should be indented for and obtained from the Government Press as early as possible.

5. *Mohatarfa Accounts.*—(*c*) Bakipatti. —The total balance as per Bakipatti for the 30th June 1914 was Rs. 455-9-4 which is almost the same as that of the previous year containing 203 items pertaining to years so far back as 1897–98 as per statements I, VI & VII appended hereto. It is very desirable that arrangements should be made for the recovery of the outstandings as early as possible.

(*d*) Notices, warrants, and notice register. While the number of items outstanding in the accounts were more than 200, the number of notices issued in 1913-14 as per notice register was only 31 or about $\frac{1}{7}$th of the total number of items. *Vide* objection statement No. 10.

No reason was assigned for not serving notices to the remaining $\frac{6}{7}$ of the number of defaulters.

(2) The long delay of seven months in the service of notices, *e.g.*, notice No. 22 dated 20th March 1913 was served on 30th September 1913 or after the lapse of more than 6 months from the date of issue, is highly objectionable. *Vide* objection statement No. 11.

(3) Out of the 31 notices issued in 1913-14, the number served and produced for examination was only 14. *Vide* objection statement No. 11.

(4) Notice fee was not recovered for No. 39, dated 1st October 1913, and only the amount of tax mentioned therein was recovered on a subsequent date, *viz.*, 4th October 1913. *Vide* objection statement No. 12.

(5) A notice for the payment of tax was served on a tax-payer a month and 10 days subsequent to the recovery of the full tax due from him. *Vide* objection statement No. 12.

(6) (*a*) The number of warrants issued during the year was only 7 for more than 200 items pending recovery. *Vide* objection statement No. 13.

No reason was assigned for not issuing warrants to the other longstanding defaulters.

(*b*) Out of the 7 warrants issued, warrant fee was recovered in respect of only one of them. *Vide* objection statement No. 13.

(7) Three applications for licenses received in March and April 1914 remained undisposed of even by the close of September 1914.

7. *(1) (a) Miscellaneous Revenue Demand and Khiridi Registers.*—A list of only the sites belonging to the Municipality prepared years ago was maintained by the shanbhog. No note was made therein of the sites sold from the date of its preparation up to date, and so, it could not be considered to be accurate. It is very necessary that the list should be revised with reference to the previous records of sale, etc., from the date of its preparation and kept correct up to date to facilitate ready reference.

(*b*) A copy of that list which is most important was not filed in the Municipal Office to serve as a countercheck against the shanbhog's record. *Vide* objection statement No. 14.

(2) A miscellaneous Revenue Demand register should be maintained in the form of Khate from the commencement of the current official year (1914-15) embodying all kinds of property (both yielding and not yielding revenue) pretaining to the Municipality noting therein the arrear and current demand against each revenue-yielding property to facilitate steps being taken in time for the recovery of the amounts due on the recurring items of revenue. Similarly, a Miscellaneous khiridi should be maintained from the year 1914-15 for noting credits on account of the sale of sites, grass, manure, etc., pertaining to the Municipality. *Vide* objection statements Nos. 14 and 15 and also Rules 237 and 238. Municipal Account Manual.

8. *Deposit Register.*—Rupees 18-10-0 being the sale proceeds of the vacant sites remained unadjusted under deposits ever since 16th November 1911. Why the item should not have been adjusted so long by credit to the final head concerned was not ascertainable. *Vide* objection statement No. 15 and also comparative statement V appended.

9. *Register of Tools and Plant.*—This register did not appear to have been examined by the Vice-President. Even the alterations in the register were not attested by anybody. *Vide* objection statement No. 16.

10. *Security Deposits of the Municipal Employees.*—The pound-keeper also has money transactions and he does not hold the hereditary office of patel. It was not known why security deposit was not demanded of him. *Vide* objection statement No. 15.

11. *Acquittance Roll.*—The thumb impressions were not full and clear in most of the cases. They should be properly taken in future so as to identify the persons concerned.

12. (1) *Service Registers.*—The service register of the Sanitary Inspector was stated to have been sent to the President's office for some reference and thus it was not available for examination. *Vide* objection statement No. 16.

(2) The service register of the Local Fund clerk and the conservancy daffadar (also Octroi manegar) were not certified to as verified up to 30th June 1914. *Vide* objection statement No. 16.

13. (1) *Account of Blank Registers and Forms including Counterfoil Receipt Books.*—No account was maintained up to date. It is very essential that an account should be opened at once taking as starting balance the number of each kind of forms in stock at present. *Vide* objection statement Nos. 16 and 17.

(2) The stock of forms should be in the custody of some responsible official.

(3) The required number of all forms and registers should be indented for and obtained from the Government Press in time and duly accounted for. *Vide* objection statement No. 17.

14 *Cash Book.*—For some months, the fines and feeding charges were not separately noted in the cash book, also certain entry of the adjustment was omitted to be noted therein. *Vide* objection statement No. 17.

15. (1) *Imprest Account.*—The expenditure of Rs. 70-3-11 incurred out of the Municipal Imprest of Rs. 100, so far back as 1905-07, was not recouped up to the close of September 1914. *Vide* objection statement No. 18. The imprest should be recouped early.

(2) No expenditure was incurred out of the imprest of Rs. 50 sanctioned

for the Sravanabelagola Union for the past 7 years which shows that the imprest is unnecessary. *Vide* objection statement No. 18. The amount may, therefore, be refunded to the Treasury.

(3) Acknowledgments were taken from the payees in one and the same counterfoil receipt book for payments made out of District as well as Municipal Funds. *Vide* objection statement No. 18.

It would be convenient for referenc if separate receipt books are maintai in future.

Assistant Comptroller
in charge of the Local
Audit Department.

GPB—15—9-1-15.

Note on the Audit of the Accounts of the District Fund of the Hassan District.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnaswami Iyengar.

Date of Commencement of Audit.—19th October 1914.

Date of Completion of Audit.—11th November 1914.

Period occupied (excepting Holidays) in Current Audit against Last Audit.—Twenty days each.

The last audit ended on 7th February 1914 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the sum of Rs. 10, being the imprest allowed for the President's office, the balance of cash on hand on 23rd October 1914 was Re. 1-14-3 which agreed with the balance shown in the imprest account of that day.

PART I.—Action taken on the Last Audit.

The audit note for 1912-13 was sent to the President with Comptroller's letter No. 660—L. A. D. 888, dated 16th April 1914, for necessary action and return but it had not been completely disposed of and returned even by the close of the current audit. Instructions were issued to the taluks on some of the points raised in the last audit only after the current audit was begun.

(1) List of cheques remaining uncashed at the close of each month was prepared from October 1913.

(2) Plus and minus memo of deposit transactions was annexed every month from January 1914.

(3) The statement of the lapsed District Fund deposits for the 30th June 1914 was prepared for the first time.

And (4) The clearance register of District Fund deposits for the 30th June 1914 was the first one prepared.

(1) The details for Rs. 135-9-2 being the amount of the cheques of previous years remaining unclaimed were not furnished.

(2) The differences in the calculation of contributions due from the Municipal and other Funds for 1912-13 on account of the pay and allowances of the District and Taluk Local Fund Establishments including the Sanitary and Work Inspectors were not adjusted.

(3) Stock register was not maintained for the counterfoil cheque books received from the Comptroller's office and for forms and registers received from the Government Press.

And (4) Stock register was not maintained for vessels and furniture in stock in the (16) third class travellers' bungalows, and (22) musafirkhanas of the district.

PART II.—Result of Current Audit.

The result of current audit is embodied in the accompanying 35 sheets of objection statements containing 38 serially numbered items and only such of the objections as are not either satisfactorily answered or are otherwise unimportant are dealt with in this audit note.

1. *Objections of the Previous Audit pending disposal.*—The objections raised in the (previous) audit of the accounts for 1912-13 still remaining undisposed are noted on objection sheets 1 and 2. *Vide* item No. 1.

2. *Bills and Payees' Receipts.*—The bills and payees' receipts found wanting in the accounts for 1913-14 are noted on objection sheets 3 and 4. *Vide* item No. 2. These should not be construed as formal objections only. In the absence of proper payees' receipts, there is no knowing whether the sums claimed and drawn have been properly disbursed.

3. *Chellans.*—The items in the cash book for which chellans were not forthcoming are noted on objection sheet 5. *Vide* item No. 3. None of the chellans of the Arsikere Taluk for the year under audit were available for examination. *Vide* item No. 3.

The amounts of some chellans entered in figures were different from those written in words. *Vide* objection sheet 5. These were not noticed and rectified in the Treasury while receiving the amounts for credit in its accounts.

4. *Apportionment of Certain Establishment Charges.*—Differences that require to be adjusted towards contributions due

from Municipal and other funds on account of expenditure incurred in the year 1913-14 for pay and allowances of the Taluk Local Fund clerks and of Sanitary and Work Inspectors are noted in detail on objection sheet 6. *Vide* item No. 4.

5. *Deposits.*—Amounts outstanding under deposits for more than 6 months without being adjusted are noted as item No. 10.

6. *Stationery Accounts.*—(1) The irregularities in the Stationery accounts are the following:—

(*a*) Irregular and unauthorized issue of the articles of periodical supply; *e.g.*, issue of coloured pencils. *Vide* objection sheet 12.

(*b*) Articles other than those of personal supply were issued to each clerk in the office, *e.g.*, (1) needles, (2) candles and (3) scissors. *Vide* objection sheets 12 and 13. The two pairs of scissors (one large and one small) received from the Government Stationery Depot, and taken for use by the Head Clerk and the Deputy Clerk of the office should be available for the use of the whole office.

(2) (*a*) The issue of a pair of scissors was acknowledged in the issue register by the Deputy Clerk when there was no balance in the stock account under that head. *Vide* item No. 14. The balance in the stock account should therefore be rectified now.

(*b*) One kind of article was erroneously entered under a different one in the stock account. *Vide* Item No. 15.

7. *Travelling Allowance to the District Board Members.*—(1) The travelling allowance of the District Board Members, on receipt in the President's Office are noted on one side of the register and the acquittance rolls prepared therefor on the return of bills from the Comptroller's Office after audit and cheques issued therefor are written up from the other side of the same. *Vide* item No. 22. In this arrangement, it is not convenient to check the acquittance rolls with the bills or to see whether timely action is taken regarding the bills pending disposal for a long time in the offices of the President and Comptroller. The entries of receipt of audited bills, their encashment and payment of allowances to members should be posted against the corresponding entries of bills.

Some distinguishing mark should be made in the acquittance rolls against the amounts for which the payees' receipts

were received so that wanting ones may be readily ascertained to call for and obtain them in time. Some payees' receipts, not available in the President's Office are noted on objection sheet 20. *Vide* Item No. 22. The payees' receipts of a District Board Member was found to have been only initialled instead of being fully signed. *Vide* item No. 23.

(2) Similar register was not maintained for travelling allowances to Taluk Board Members to check and satisfy that the claims preferred are proper and that the payments were actually made to the parties concerned and their receipts obtained in time. *Vide* objection sheet 20.

8. *Register of Cheques issued for Pay and Allowances of Establishments.*—The current and arrear claims were entered in one continuous series for each taluk in the official year in which the cheques were issued. The defects in the present form of the register are the following :—

(1) Neither the detailed sanctioned scale nor the total of each establishment per month is ascertainable. This defect should be rectified by the maintenance of a pay or check register. Form No. 7 as prescribed by Local Board Rule 86.

(2) Arrear claims cannot be checked with the register to see whether they are actually due before authorising payment. The entries of payment should therefore be made in the register in the months to which the claims relate.

(3) The entries in the register were not attested by the Drawing Officer to serve as an authenticated record for passing future claims. *Vide* item No. 24.

9. *Register of Cheques issued for Pound Commission, Potgi, Contingencies, etc.*—The entries were made in the register in the order of the receipt of bills irrespective of the period to which the claim relates, whether for current month or for arrears of the current and past years. *Vide* item No. 25.

The remarks made above excepting No. (1) hold good in this case also. To guard against double payment, it is necessary that all the months of a year should be noted in order for each taluk and, on receipt of bills, the amounts thereof entered against the months concerned so that the periods against which no entries appear may be considered as yet due.

10. *Establishment and Contingent Bills.*—(1) In the bills of establishments,

the deductions on account of the Life Insurance premium are not shown. *Vide* Item No. 26.

(2) Items of cheques issued by the President's Office for salary of the Taluk Establishments, Manjarabad (taken for example), in favour of the individuals concerned and delivered to the officials direct for encashment at the Hassan District Treasury, are noted on objection sheets 31 to 33. *Vide* item No. 33. This procedure is irregular.

(3) Rupees 30 were disbursed on Voucher No. 6, dated 24th April 1914, to H. A. Payanna, Local Fund fourth clerk in the President's Office, Hassan, for taking photos of the prize-winners in the Hassan Cattle Show held in January 1914 and supplying copies thereof. Item No. 29. No records were available in this connection to prove that the requirements of the provisos of Article 51 (*a*) of the Mysore Service Regulations were fulfilled before the grant of the said remuneration.

(4) Dates were not invariably entered against the orders of payment on bills of all kinds and thus it is not possible to find out delays in the issue of cheques after authorization of payment by the President.

(5) All bills are received in the President's Office in duplicate and the three stamps (pay, paid, and charged) are affixed to both. In some cases, both the original and duplicate copies were filed together in the President's Office alone. The authority under which bills are thus received in duplicates was not produced. The practice is not quite safe and may be discontinued. *Vide* item No. 28.

11. *Work Bills.*—(1) The total amounts of work bills were different from those of the completion bills. In some cases, the amounts of the work bills were more and in others less than those of the completion bills. *Vide* item No. 5.

(2) A sum of anna one was paid in excess on voucher No. 100 for June 1914. *Vide* item No. 5.

(3) Items for which completion bills were not forthcoming in support of the final bills are noted as item No. 7.

(4) Rupees 13-6-0 were disallowed on voucher No. 50 for June 1914 on account of the rate having been allowed in excess of that authorized as per schedule of rates for the taluk concerned.

(5) Cheques issued in favour of the contractors for amounts of the taluk work bills were generally delivered to them

direct at the President's office instead of sending them back to the taluks concerned for delivery through the Vice-Presidents in the ordinary course. *Vide* item No. 31.

(6) Pies ten were disbursed in excess and this excess was due to the corrections made by the President's office in the measurement book by increasing the quantities from 36·53 to 37·42 squares. *Vide* item No. 32.

(7) Almost all the works were measured in June 1914 (last month of the official year) and the whole expenditure was incurred in that month or on the last day thereof to avoid the lapse of budget grants. *Vide* item No. 34 on objection sheet 33.

And (8) On the receipt of the sanctioned budgets, no regular forecast of the expenditure for the several months of the year was made with reference to the urgency and importance of the works to be undertaken so that the expenditure may be equally spread throughout the year and that the work bills may undergo full scrutiny before payment. *Vide* item No. 34 on objection sheets 33 and 34.

12. *Cheques and Cheque Books.* (1) Cheques in recoupment of imprests were not generally issued in time so that they may reach the taluks before the close of the month for incorporation in that month's accounts. *Vide* item No. 35.

(2) Cheque books were kept in the custody of the clerks instead of under lock and key in the personal custody of the drawing officer as per Article 17 of the Civil Account Code. *Vide* item No. 36.

(3) No account was maintained of the receipt of cheque books and of the cheque books used up. *Vide* item No. 36.

13. (*a*) Stock book of forms including counterfoil receipt books.	These were not maintained up to the close of audit.
(*b*) Stock book of vessels and furniture in the musafirkanas and third class travellers' bungalows.	*Vide* item No. 37.

14. *Destruction of Old Records.*—No action was taken in the matter and thus the required references cannot be readily traced out.

B. SRINIVASA IYENGAR.

Assistant Comptroller and Officer in charge of the Local Audit Department.

9th February 1915.

GPB—15—18-3-15.

Note on the Audit of the Local Fund Accounts of Arsikere.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—M. Krishnasami Iyengar.

Date of Commencement of Audit.—1st January 1915.

Date of Completion of Audit.—8th January 1915.

Period occupied (excepting Holidays)—In current audit 6 days against last audit 12 days.

Names of President and Vice-President who held office during the period of audit:—

Period.

1913-14. P. R. W. Wetherall, Esq., President.

Mr. Gulam Mahomed Meccai, Vice-President.

The last audit ended on 11th August 1913, and was for the period from 1st July 1910 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The balance of cash remaining on hand on 4th January 1915 out of the different Local Fund Imprests allowed for the taluk as noted below agreed with those shown in the Imprest accounts of that day.

	Imprest sanctioned	Imperest on hand
	Rs.	Rs. a. p.
Arsikere Municipality	100	91 0 0
Arsikere Taluk Board	90	66 4 0
Banawar Union ...	50	50 0 0
Harnahalli Union ...	50	.....

Part I.—Action taken on the Last Audit.

1. The previous audit note and the objection statements remained undisposed even by the close of the current audit, and the system of maintaining the accounts for 1913-14 remained almost the same as in previous years.

2. The amounts retrenched in the last audit were recovered and remitted to the Treasury.

3. In respect of revenue leased out for contract, no bonds were taken in some cases, and in others, the bonds taken had not been executed on stamp paper as required by rules.

4. Interest was not levied on overdue instalments.

5. The authority for the octroi collections realised on 5 shandy days previous to the Rathothsavam, being credited to Sri Venkataramanaswami temple at Malekal Tirupati at Arsikere was produced. The credit of such realizations in 1913-14 was Rs. 55-1-10 as detailed below :—

	Rs.	a.	p.	
18th July 1913 ...	8	2	3	The credit in the Taluk Muzrai accounts was Rs. 55-2-0 or 2 pies in excess.
25th July 1913 ...	9	11	11	
1st August 1913 ...	13	0	0	
8th August 1913 ...	13	8	0	
15th August 1913 ..	10	11	8	
Total ...	55	1	10	

Why the realisations made in 1914-15, were held under Municipal Deposits without crediting them directly to the Funds of the temple as hitherto was not explained.

PART II.—RESULT OF CURRENT AUDIT.

The result of current audit is embodied in the accompanying 21 sheets of objection statements and only the important ones are dealt with below.

1. *Pound Accounts.*—Pound collections were remitted to the Treasury only once a month. They should be remitted to the treasury once a week in future as prescribed in Rule 228 of the Municipal Account Manual. *Vide* Item No. 2.

2. *Octroi Accounts.*—(*a*) Rahadari fee of 4 pies was recovered in each counterfoil receipt of duty collected on all articles imported other than sheep and goats. The authority, if any, for such levy, was not produced for reference. *Vide* Item No. 4 (2) & 3.

(*b*) (1) Less credit of octroi collections to the extent of Re. 1-1-0. *Vide* Items Nos. 5 to 7.

(2) Excess collection of duty to the extent of 4 pies which was not credited in the accounts. *Vide* Item No. 13.

(*c*) Duty on betel-leaves was generally levied at 1 pie per bundle of 100 leaves, except on 11th July 1913, when

the duty levied on that article was at two pies per bundle. *Vide* Item No. 14.

(*d*) The quantity or value of the articles and the corresponding duty levied thereon were altered in several instances apparently with a view to keep back revenue collected to the extent of Re. 1-5-1. This amount should be recovered from the official responsible.

In cases of the counterfoil receipts requiring alterations of erroneous entries once made, it would be advisable to cancel the erroneous receipt and issue a fresh one.

3. *Khate or Demand Register.*—There has been no revision of assessment for many years past. In spite of the issue G. O. No. 1872-9—Ml: 124-14-1, dated 19th August 1913, requiring early action no steps have yet been taken in the matter. *Vide* Rules 28 to 30 of the Municipal Account Manual.

(*b*) No tax was levied on cards belonging to Government officers. *Vide* Item No. 17 (1). The omission should soon be rectified.

(*c*) The quarters of the Railway staff and certain buildings occupied by some of the Government employees including the Amildar and Vice-President were not assessed with the Mohatarfa tax. *Vide* Item No. 17 (2).

4. *Khirdi of Mohatarfa Collections.*—The following defects were noticed in this book:—

(*a*) Two receipts were issued on different dates for the recovery of the same amount. *Vide* Item No. 21.

(*b*) Receipt No. 25 was issued for tax recovered on 28th June 1914, and (next) receipt No. 26 issued was for tax recovered on 23rd May 1914. *Vide* Item No. 22.

5. *Baki Patti for 30th June 1914.*—Out of 399 khatedars for 1913-14, so many as 267 were in default to the extent of Rs. 2,103-5-0 on the 30th June 1914 for the collection of which no effective steps were taken. 168 notices were stated to have been issued as noted in a notice register. But it was found that none of the notices written up was served. *Vide* Item No. 26 (3, 5 & 6).

The taxes outstanding from a long time against certain Government officers while employed at Arsikere, as stood on 30th June 1914, are mentioned against Item No. 27.

6. *Miscellaneous Revenue.*—(*a*) In the absence of a miscellaneous demand register, the sale records produced were

the only guide for ascertaining what the several miscellaneous items of revenue were and the collections and remittances towards the demands noted therein had to be verified with the Treasury "C" account. Under this procedure, no ready means are available for comparing the revenues of one year with those of the previous year or for effectually watching the realisations under all heads properly belonging to the Municipality. *Vide* Item No. 29 (1).

(*b*) The undermentioned sale records were not produced for examination:—

Butchers' contract of sheep and goats for Rs. 260.

Butchers' contract of bulls and cows Rs. 67.

Value of sites sold chellan 138, dated 15th October 1913 Rs. 10.

Value of sites sold chellan 325, dated 25th November 1913 Rs. 11-4-0.

Vide Item No. 29 (2).

7. *Lists of Sites belonging to the Municipality and the Tax Payers.*—In the lists prepared so far back as 1895, no note was made of the transfers by sale, etc., effected subsequent to the date of preparation, or of additional sites vested in the Municipality or acquired by private persons. In the year 1913-14, for instance, a large sum of Rs. 1,924-14-0 was recovered as the value of sites, but there was no note made in the lists. *Vide* Item No. 30.

8. *Cash Book.*—The receipt side of the cash book was not promptly written up and the disbursement portion was not posted at all and thus the balances were not struck periodically. Evidently, the monthly accounts and returns required to be submitted were prepared from the treasury "C" Register. *Vide* Rules 352 to 355 of the Municipal Account Manual, and Item No. 31 of the objection statement.

9. *Deposit Register.*—The balance of the Municipal deposits on the 30 June 1914 was Rs. 1,547-2-6, out of which Rs. 1,091 were in respect of the value of sites realized as per Statement VI appended. *Vide* Item No. 32.

10. *Imprest Account.*—(*a*) The only expenditure incurred in 1913-14 out of the imprest of Rs. 50 sanctioned for the Hanumahalli Union was the disbursement of the grant of Rs. 10 every month for the Union Vaidyasala pending the receipt of cheque from the President.

(*b*) No expenditure was incurred in 1913-14 out of the imprest of Rs. 50 sanctioned for the Banawar Union. *Vide* Item No. 34.

11. *Register of Tools and Plant.*—(*a*) There was no token of the register having been examined by the Vice-President.

(*b*) The unserviceable articles were not sold by public auction and the sale proceeds remitted to the Treasury for credit to the Municipal Funds.

12. *Stock Register of Forms and Counterfoil Receipt Books.*—The register required under Rule 377 of the Municipal Account Manual was not maintained. *Vide* Item No. 36.

13. *Register of Vessels and Furniture in the Musafirkhanas and 3rd Class Travellers' Bungalows.*—This was not also maintained. *Vide* Item No. 37.

14. *Service Registers.*—These were not certified as verified up to the close of June 1914. *Vide* Item No. 38.

15. *Acquittance Rolls.*—(*a*) The District Fund acquittance roll for 1913-14 was not produced for examination.

(*b*) The thumb impressions taken in the Municipal acquittance roll were not clear and full so as to identify the persons concerned. *Vide* Item No. 39.

16. *Visitors' Book of the Musafirkhana (Rangacharlu's Memorial Chattram).*—(*a*) The visitors' book was not properly and accurately maintained inasmuch as the names of the permanent occupants (residents of Arsikere) and also of those from whom any rent was recovered for the temporary occupation were not entered therein nor was any account maintained therefor in the Taluk Office.

(*b*) Most of the entries in the register were filled in by the watchman himself and in pencil.

(*c*) The dates of departure of travellers were not, in most cases, entered in the register to determine the amount of rent recoverable.

(*d*) Of the 6 permanent occupants, one was Hotel-keeper Appajiah, from whom rent at less than 2 annas per day is being recovered contrary to Government Order No. 8097—L. B. 325-10-13, dated 2nd May 1912. Rent for three months was ascertained to be due from him.

The second occupant was Narasimiah, Head Master of A.-V. School at Arsikere, from whom no rent had been recovered up to the close of the current

audit. There was no record to show the period for which rent was due from him. The rest of the occupants, *viz.*, (1) musafirkhana watchman Ramanna, (2) cook Shamanna of Purniah's Chattram, (3) Taluk office Daffadar Dasa Naik and (4) Taluk office peon Mada, have not been paying any rent.

(*e*) No receipts were stated to have been issued for the recoveries of rent and no effective check over the collections was possible.

(*f*) The Treasury receipts for the remittances of collections were not filed in the chronological order for ready reference.

(*g*) The Visitors' Book was not examined by anybody periodically.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge of the Local
Audit Department.

GPB—12—2

Note on the Audit of the Local Fund Accounts of Saklespur.

Name of Senior Auditor.—Mr. S. Padmanabha Rao.

Name of Assistant Auditor.—Mr. M. Krishnasami Iyengar.

Date of commencement of Audit.—14th November 1914.

Date of completion of Audit.—22nd December 1914.

Period occupied (excepting holidays).—In current audit 8 days against last audit 17 days.

Names of President and Vice-President who held office during the period of audit:—

Period.	*Name of President.*
1913-14	P. R. W. Wetherall, Esq.
	Vice-Presidents.
1-7-13 to 21-7-13.	Mr. N. Gopalkrishna Iyengar, B.A., B.L.
22-7-13 to 30-8-13.	Mr. B. M. Venkatesiah, B.A.
31-8-13 to 2-3-14.	Mr. N. Gopalkrishna Iyengar, B.A., B.L.
3-3-14 to 30-6-14 and onward.	Mr. R. Tirunarana Iyengar, B.A.

The last audit ended on 20th October 1913, and was for the period from 1st July 1910 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The cash on hand on 14th December 1914 out of the sanctioned Municipal and District Fund Imprests of Rs. 50 and Rs. 100 were Rs. 49-6-0 and Rs. 99-0-0 respectively, which agreed with the balances shown in the Imprest accounts of that day.

PART I.—Action taken on the last audit.

(1) The audit note and the objection statement of the years 1910-11 to

1912-13 were pending disposal in the Taluk office. The previous years' objections remaining undisposed of have been brought forward and included along with the current year's (1913-14) objection statements (*vide* objection sheets 1 to 3(*a*). Two sums of Rs. 2-1-0 under octroi, and Re. 1-8-0 under pounds need to be recovered. *Vide* items Nos. 12, 13, 15 and 26 and 41 respectively.

(2) The revised assessment list prepared by the Shanbhog and attested by certain Municipal Councillors has not been finally approved and brought into effect.

(3) The counterfoil receipt books for the recovery of the Mohatarfa taxes were not brought into use.

(4) The arrears of the Mohatarfa taxes for 1913-14 remained almost the same as in the previous year.

(5) The taxes due on Government buildings were not adjusted, and so also the arrears due on bunglow styled as "Sergeants Quarters" belonging to the Imperial Government.

PART II. RESULT OF CURRENT AUDIT.

The result of current audit is embodied in the accompanying 50 sheets of objection statements and only such of them as are not either satisfactorily answered or are otherwise important are dealt with here—1. Retrenchments and recoveries—Under octroi,- Less remittance due to alterations in receipts, less recovery of duty owing to error in calculation, etc., Rs. 2-3-9. Under Mohatarfa—arrears and cart tax due by 1. Mr. P. R. W. Wetherall Rs. 9-15-0 2. N. Ramaswamy Iyengar Rs. 5-12-0. Total Rs. 15-11-0.

2. *Octroi accounts.*—The irregularities, etc., observed in the octroi accounts are noted below:—

(*a*) The receipts under octroi for 1913-14 were comparatively very low. The municipal council would do well to investigate why this is so and to exercise proper supervision over the collections.

(*b*) Instances of the alterations in the counterfoil receipts reducing the quantities or number of the articles and the corresponding duty, apparently with a view to keep back a certain part of the duty collected are detailed in objection Statement No. 3.—The amount of short remittances aggregating Rs. 2-0-9, should be recovered.

(*c*) Duty and Rahadari fees were recovered less than the amounts due to

the extent of Re. 0-2-6. *Vide* items Nos. 5 and 6.

(*d*) Fines and penalties imposed for smuggling articles were credited in the Octroi Register along with the duty proper instead of crediting them under the appropriate head "Miscellaneous." *Vide* item No. 7.

(*e*) Mafi Rahadari fees were, in a majority of cases, credited in the Octroi Register on dates subsequent to those on which they were actually recovered—*Vide* item No. 10. All collections of any kind should invariably be credited in the connected Registers and accounts only against the dates of their actual collections. If necessary, a separate register may be used for the purpose.

3. *Mohatarfa accounts.*—(1) Khate or Demand Register omission of Demand (*a*) carts belonging to Government officers and Mail Tongas have not been assessed with the Mohatarfa tax for some years passed and the municipality is losing some revenue every year—This defect should be immediately rectified. *Vide* item No. 15.

(*b*) As per municipal council resolution V, dated 10th October 1914, the revised assessment list of houses, lands, and shops should have been brought into effect from November 1914, but no action in the matter has yet been taken. As the revision is intended to increase the revenue under Mohatarfa, delay in bringing the revision into effect means an appreciable loss to the Municipality.

(*c*) *Mohatarfa accounts, Baki Patti.*—The closing balance for 1913-14 remained almost the same as the opening balance of that year. *Vide* Statements III and IV appended hereto the outstandings run so far back as 1899-1900 as per statements V and VI. *Vide* item No. 17 (1).

Taxes of Rs. 10 and above outstanding in the accounts on 30th June 1914 are noted in Statement VII appended.

A sum of Rs. 16 due from Messrs. Baba Sab and Syed Hussein Sab & Co. (Khate No. 70) as cart tax on Mail Tongas for four years from 1904-05 to 1907-08 at Rs. 4 per annum was, on the application of the Tonga Agents, ordered by the President to be written off the accounts without obtaining the sanction of the Council. At the instance of Government, the matter was placed before the Municipal Council on 28th February 1910 which was of opinion that the amount is not to be written off on the ground of the Tongas carrying mail for profit and also passengers

and their luggage for hire. The question is still pending in the Deputy Commissioner's office since November 1912.

(*d*) Cart tax long outstanding against certain Government officers have been noted in item No. 18.

(*e*) In the matter of adjustment of taxes outstanding from a long time against different bungalows of the Mysore Government used for residential purposes, the Public Works and the Military Departments concerned should be addressed to effect speedy adjustment of the items.

(*f*) A sum of Rs. 138-8-0, being the tax due for ten years from 1904-05 to 1913-14 on bungalows styled as "Sergeants Quarters" belonging to the Military Department of the Imperial Government, has been outstanding in the accounts for the adjustment of which reference should be made to the Secretary to the Government in the General and Revenue Departments through proper channel. *Vide* item No. 20.

(*g*) Out of the sum of Rs. 1,528-3-7 due on 30th June 1914, a sum of Rs. 281-0-0 is recoverable from Government on account of tax on residential quarters, a sum of Rs. 138-8-0 is due from the Imperial Government and Rs. 92 from the European Club, all of which have been still the subject matter of protracted correspondence.

A sum of Rs. 30-14-8 is stated to be irrecoverable and this matter is also under correspondence, there thus remains a sum of Rs. 860-12-11 recoverable from owners of private house, shops, etc., of this only about a fourth has since been recovered, and a large balance of over Rs. 600 is outstanding. No notices have been issued to recover this amount. Needful action should be taken in the matter at once and a proper Notice Register should be maintained.

4. The lists of sites belonging to the Municipality and the tax-payers were not available in the Municipal office for examination. Such lists are necessary for ready reference to prevent the municipal lands being encroached upon and the sites of the tax-payers being erroneously sold or otherwise disposed by the Municipality. *Vide* item No. 23 1).

(2) A list of sites belonging to the tax-payers prepared in Krodhi (1904-05) was with the Shanbhog. It was not attested by anybody and the subsequent alterations effected were not noted in it.

It was not therefore an accurate and authenticated record. *Vide* item No. 23 (2).

The tax realized on sites in lower and upper koppals though situated within the Municipal limits was credited to Land Revenue instead of to Municipality, and the authority therefore was not available. *Vide* item No. 24.

DISTRICT FUND.

5. *Visitors' Book of Saklespur Musafirkhana.*—The dates of departure were not regularly noted in the register so as to examine whether the rent prescribed to be levied in Government Order No. 8097 —L. B. 325-10-13, dated 2nd May 1912, was properly recovered and remitted to the Treasury for credit to District Funds. *Vide* item No. 25. The register should be examined periodically.

6. *Taluk Board Demand, Collection and Balance Statement for June 1914.*—(*a*) Effective steps were not taken for the recovery of the balances of the toll contract amount for 1912-13 of Rs. 134-9-4, and ferry contract amounts for Rs. 370-6-0 amounting to three years from 1911-12 to 1913-14. *Vide* item 26. (1)

(*b*) No Mutchalika was obtained up to date from contractor Kerodi Nirvani Gowda, Patel of Magalu, for the ferry contract granted to him. *Vide* item 26 (3).

(*c*) In the two mutchalikas obtained for the contract of toll collections for 1913-14 and 1914-15, the contract amount which is the most important matter was not mentioned. *Vide* item No. 27.

7. *Yeslur Union Pound Accounts.*—Annas 1½ recovered as feeding charges in excess of the authorized rates as per counterfoil receipt of releases but not remitted to the Treasury is now recoverable. *Vide* item No. 29.

8. *Acquittance Roll.*—In the District Fund Acquittance Roll the following irregularities were observed :—

(1) Acknowledgments of the payees were not obtained in a few cases. *Vide* items Nos. 31 and 33. Whether the amounts were disbursed or not, was not ascertainable.

(2) Single payee's receipt was obtained in some cases for the claims pertaining to different months. *Vide* item No. 32.

(3) Receipt Stamp was not affixed to the acknowledgment for the disbursement of the claim in excess of Rs. 20. *Vide* item No. 34.

(4) The officials noted below did not insure their lives and no explanation was forthcoming. *Vide* item No. 36.

H. Thammiah, Work Inspector, Manjarabad and Belur Taluks, on 20+10 per mensem.

H. Srikantiah, Local Fund Clerk on Rs. 15 per mensem (appointed 25th July 1907 as per service register.)

9. *Counterfoil Book and Payees' Receipts.*—The acknowledgments for payments made from District and Municipal Funds were taken in one book which causes confusion. *Vide* item No. 37. (1)

10. *Register of Tools and Plant.*—(*a*) There was no token of the account having been examined by any body. Many pages of the register for 1911-12 and 1912-13 were left unused and a fresh register was opened for 1913-14.

(*b*) The balances of tools pertaining to Saklespur Park and Yeslur Union were omitted to be brought forward to the Register for 1913-14. *Vide* item No. 38. (3) The omission should now be supplied.

(*c*) Ten maunties were deducted in the register as unserviceable, but they were not yet disposed of. *Vide* item No. 38 (4). Till the materials are sold and the proceeds remitted to the Treasury, the deduction in the register should not be made. The balance of maunties in the account should therefore be raised to that extent till the date of sale.

11. *Register of Vessels and Furniture in Stock in the Musafirkhanas and 3rd Class Travellers' Bungalows.*—The entries of stock on hand and the receipts in the different musafirkhanas were made continuously and the result is, that it is not possible to readily ascertain from the account the existing balance of stock in each at any required period. *Vide* item No. 39.

12. *Service Registers.*—The Service Registers of H. Thammiah, Work Inspector, and M. Narainswami Naidu, Frontier, Sanitary Inspector, were not available for examination. *Vide* item No. 41.

13. *Stock Book of Forms and Counterfoil Receipt Books.*—(*a*) This was not maintained.

(*b*) The forms and receipt books were not preserved under lock and key so as to prevent their misuse. *Vide* item No. 42.

14. *General Remarks.*—The general cash book of the Municipality was not maintained in the prescribed form, nor

were the monthly accounts prepared in accordance with the rules contained in the new Municipal Account Manual. The distinction between the general cash book of the Municipality and the petty cash book which is required to be maintained in the Vice-President's office to record the receipt and disposal of cheques received and baraward amounts, etc., was not understood. The Treasury pass book was not maintained. Balances were not entered in the cash book and no attempt was made by the Local Fund clerk to reconcile the Treasury balance with the Municipal Office balance. The Deposit Register was not correctly maintained. Many of the items which were outstanding under Deposits had not been carried forward as balance. A correct list of outstanding Deposits should be obtained from the Deputy Commissioner's office and the Deposit Register should be maintained so as to show in each month the opening balance, the receipts, the payments and the closing balance. An extract of this Deposit Register should be sent to the Deputy Commissioner's office monthly with the accounts. If the clear instructions given to the Local Fund clerk and other subordinates during the visit of inspection of the Assistant Comptroller, Mr. B. Sreenivasiengar, in March 1915, be carefully followed, it is hoped that many of the irregularities above noticed in the maintenance of Registers will be obviated.

B. SREENIVASIENGAR,
Assistant Comptroller,
and officer in charge of the
Local Fund Department.

12-4-15.

I.—Saklespur Municipality.

Statement of octroi revenue for the years 1912-13 and 1913-14.

—	1912-13	1913-14
	Rs. a. p.	Rs. a. p.
Cocoanuts, dry ...	22 8 6	14 2 7
,, fresh	196 2 1	240 12 2
Betel leaves ...	425 2 4	416 5 0
Tobacco	220 4 0	235 1 0
Cloths	1,424 15 9	1,432 10 0
Sheep and goats ...	150 2 0	106 14 0
Miscellaneous	23 13 11	24 3 7
Total ...	2,463 0 7	2,470 0 4

II.

Statement of octroi refunds during 1912-13 and 1913-14.

—	1912-13	1913-14
	Rs. a. p.	Rs. a. p.
Refunds of octroi duty	0 0 0	0 0 0

III.

Statement showing the demand, collection and balance of the Mohatarfa taxes in the Saklespur Municipality for the official year 1913-14.

Particulars	Amount	Remarks
	Rs. a. p.	
Opening balance on 1st July 1913.	1,577 10 11	
Demand of 1914 ...	1,760 7 11	
Total ...	3,338 2 10	The arrears of the Mohatarfa taxes outstanding on the 30th June 1914, remained almost the same as those outstanding at the close of the year previous.
Collections during 1913-14	1,809 [illegible] 3	
Closing balance on 30th June 191[illegible]	1,528 [illegible] 7	

IV.

Statement showing the arrears of Mohatarfa taxes outstanding at the close of each year in the Saklespur Municipality from 1911-12 to 1913-14.

	1911-12	1912-13	1913-14	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
Mohatarfa balance on 30th June.	1,315 9 6	1,577 10 11	1,528 3 7	

V.

Statement showing the arrears of the Mohatarfa taxes outstanding in the Saklespur Municipality on 30th June 1914.

Period of account	House tax	Shop tax	Cart tax
	Rs. a. p.	Rs. a. p.	Rs. a. p.
1899-00 ...	[illegible]	[illegible]	.....
1900-01 ...	.....	.....	.....
1901-02 ...	.....	21 0 0	.....
1902-03 ...	.....	.....	.....
1903-04 ...	.....	.....	6 0 0
1904-05 ...	12 0 0	4 0 0	6 0 0
1905-06 ...	17 8 0	1 4 0	4 0 0
1906-07 ...	47 8 0	7 0 0	6 0 0
1907-08 ...	47 8 0	3 0 0	6 0 0
1908-09 ...	49 8 0	19 3 0	2 0 0
1909-10 ...	64 15 3	18 0 0	.....
1910-11 ...	81 0 0	69 10 11	.....
1911-12 ...	101 4 11	64 9 0	4 0 0
1912-13 ...	130 8 6	105 0 0	6 0 0
1913-14 ...	189 3 4	170 0 0	14 0 0
Total ...	767 0 0	503 9 7	54 0 0

Period of account	Site tax	Miscellaneous	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p
1899-00	.....	.....	16 0 0
1900-01	.....	.....	30 14 8
1901-02	.....	.....	21 0 0
1902-03	.....	.....	.....
1903-04	.....	.....	6 0 0
1904-05	2 12 0	.....	24 12 0
1905-06	2 12 0	.....	25 8 0
1906-07	2 12 0	15 0 0	78 4 0
1907-08	2 12 0	.....	59 4 0
1908-09	2 12 0	.....	73 7 0
1909-10	3 4 0	.....	86 3 3
1910-11	6 10 0	.....	157 4 11
1911-12	39 8 0	.....	209 5 11
1912-13	41 4 0	.....	282 12 6
1913-14	48 6 0	36 0 0	457 7 4
Total ...	152 10 0	51 0 0	1,528 3 7

VI.

Detailed statement showing the arrears of Mohatarfa taxes outstanding in the accounts of the Saklespur Municipality on the 30th June 1914.

Period of account	Amounts outstanding against Khatedars	European club	Military sergeants' bungalow (Imperial Government)	Mysore Government Quarters							Miscellaneous			
				Sub-Division Officers (quarter Revenue)	Amildar's quarters	Doctor's and Midwife's quarters	D. P. W. Overseers' quarters	Rest house (Police Inspectors' quarters)	Barr Lines	Total	Recommended for being written off	Musafir-khana	Total	Grand Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1899-00	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	3 0 0	13 0 0	16 0 0	16 0 0
1900-01	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	17 14 8	13 0 0	30 14 8	30 14 8
1901-02	2 0 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	19 0 0	.....	19 0 0	21 0 0
1902-03	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1903-04	6 0 0	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	6 0 0
1904-05	6 0 0	.....	14 12 0	.....	.....	.....	.....	.....	.....	.....	4 0 0	mail tonga tax due from Messrs	4 0 0	24 12 0
1905-06	1 4 0	.....	13 12 0	.....	.....	.....	6 8 0	.....	.....	6 8 0	4 0 0	Baba Sahib and	4 0 0	25 1 0
1906-07	21 0 0	.....	13 12 0	12 8 0	8 0 0	4 0 0	6 8 0	5 8 0	.....	36 8 0	4 0 0	Syed Hussein Sab &	4 0 0	78 4 0
1907-08	5 0 0	.....	13 12 0	12 8 0	8 0 0	4 0 0	6 8 0	5 8 0	.....	36 8 0	4 0 0	Co (Khate No 70.)	4 0 0	59 4 0
1908-09	23 3 0	.....	13 12 0	12 8 0	8 0 0	4 0 0	6 8 0	5 8 0	.....	36 8 0	.....	.....	.....	73 7 0
1909-10	26 7 3	.....	13 12 0	12 8 0	8 0 0	1 0 0	6 8 0	5 8 0	9 8 0	46 0 0	.....	.....	.....	86 3 3
1910-11	96 0 11	.....	13 12 0	14 0 0	8 0 0	4 0 0	6 8 0	5 8 0	9 8 0	47 8 0	.....	.....	.....	157 4 11
1911-12	118 1 11	30 0 0	13 12 0	11 0 0	8 0 0	4 0 0	6 8 0	5 8 0	9 8 0	47 8 0	.....	.....	.....	209 5 11
1912-13	191 8 6	30 0 0	13 12 0	11 0 0	8 0 0	1 0 0	6 8 0	5 8 0	9 8 0	47 8 0	.....	.....	.....	282 12 6
1913-14	361 3 4	32 0 0	13 12 0	14 0 0	8 0 0	7 0 0	6 8 0	5 8 0	9 8 0	50 8 0	.....	.....	.....	457 7 4
Total ...	860 12 11	92 0 0	138 8 0	106 0 0	64 0 0	35 0 0	58 8 0	44 0 0	47 8 0	355 0 0	55 14 8	26 0 0	81 14 8	1,528 3 7

Butchers stal rents 1906-07 Rs. 15 0 0, 1913-14 36 0 0. Boat's Company 1911-12 30, 1912-13 10 } Tax for 1913-14 was recovered. Mysore Planters' Association 1912-13 Rs. 10 0 0.

VII.

ಸಕಲೇಶಪುರದ ಮ್ಯುನಿಸಿಪಲ್ ಟವ್ನ್‌ನಲ್ಲಿ 1913–14ನೆ ಸಾಲ್ ಆಖೈರಿಗೆ ನಿಂತ ಬಾಕಿ ಪೈಕಿ 10 ರೂಪಾಯಿಗೆ ಮೇಲ್ಪಟ್ಟ ಬಾಕಿ ಇರತಕ್ಕವರ ತಪಶೀಲ್ ತೋರಿಸುವ ಸ್ಟೇಟ್‌ಮೆಂಟ್.

ಖಾತೆ ನಂಬರು	ಖಾತೆದಾರರ ಹೆಸರು	ಯಾವ ಬಾಬಿನದು	ಯಾವ ಸಾಲು ಬಾಬತು	ಎಷ್ಟು ಮೊಬಲಗು			ಒಟ್ಟು ಮೊಬಲಗು		
			ವಿರೋಧಿಕೃತ್	ರೂ.	ಆ.	ಪೈ.	ರೂ	ಆ	ಪೈ.
15	ಮಂಜೈಯ ಬಿನ್ ನಿಟ್ಟೂರು ಸೂರಪ್ಪ	ಮನೆ ಕಂದಾಯ	11—12	4	0	0	12	0	0
			12—13	4	0	0			
			13—14	4	0	0			
35	ಪುಟ್ಟಮ್ಮ ಕೋಂ ನಿಟ್ಟೂರು ಸೂರಪ್ಪ	ಮನೆ ಕಂದಾಯ ಮತ್ತು ಹಿತ್ತಲು ಕಂದಾಯ.	11—12	4	4	0	12	12	0
			12—13	4	4	0			
			13—14	4	4	0			
36	ರಾಮಯ್ಯ ಬಿನ್ ಗುರುಮೂರ್ತಯ್ಯ ವಗೈರೆ	ಮನೆ ಕಂದಾಯ	08—09	2	0	0	14	0	0
			09—10	2	0	0			
			10—11	2	8	0			
			11—12	2	8	0			
			12—13	2	8	0			
			13—14	2	8	0			
37	ವೆಂಕಟಲಕ್ಷಮ್ಮ ಗಂಡ ನರಸಿಂಹಯ್ಯ	ಮನೆ ಕಂದಾಯ	09—10	1	7	3	13	7	3
			10—11	3	0	0			
			11—12	3	0	0			
			12—13	3	0	0			
			13—14	3	0	0			
65	ಜಾಕಬ್‌ಸೇಟ್ ಬಿನ್ ಅಲಾರಕ್‌ಸೇಟ್	ಮನೆ ಕಂದಾಯ	09—10	3	8	0	20	8	0
			10—11	3	8	0			
			11—12	3	8	0			
			12—13	3	8	0			
			13—14	3	8	0			
311	ಡಿಟ್ಟೋ	ಅಂಗಡಿ	07—08	3	0	0			
69	ಮಿತಾಯಿ ನಾರಾಯಣಸ್ವಾಮಿ ...	ಅಂಗಡಿ	11—12	3	0	0	11	0	0
			12—13	4	0	0			
			13—14	4	0	0			
70	ಎ. ಬಾಬಾಸಾಬ್ ಸೈಯದ್ ಹುಸೇನ್ ಸಾಬ್ ಅಂಡ್ ಕೋ.	ಗಾಡಿ	04—05	4	0	0	16	0	0
			05—06	4	0	0			
			06—07	4	0	0			
			07—08	4	0	0			
85	ಚನ್ನಬಸವೈಯ ಬಿನ್ ಪುಟ್ಟ ಸಿದ್ದಯ್ಯ	ಮನೆ ಅಂಗಡಿ ಗಾಡಿ ಸಹಾ ಮತ್ತು ನಿವೇಶನ.	12—13	8	0	0	23	12	0
			13—14	15	12	0			
89	ಮೈಸೂರು ಪ್ಲಾಂಟರ್ ಸಪ್ಲೈ ಅಂಡ್ ಕೋ	ಅಂಗಡಿ	12—13	10	0	0	10	0	0
90	ಹಜಾರಿಮಲ್ ಜಸ್ರಾಜ್	ಅಂಗಡಿ	10—11	20	0	0	20	0	0
100	ಸಾಹೇಬ್‌ಬೇರಿ	ಅಂಗಡಿ	10—11	11	0	0	18	0	0
			11—12	1	0	0			
			12—13	4	0	0			
			13—14	2	0	0			

ಸಕಲೇಶಪುರದ ಮ್ಯೂನಿಸಿಪಲ್ ಟವ್ರ್ನಲ್ಲಿ 1913–14ನೆ ಸಾಲ್ ಅಖ್ಯೈರಿಗೆ ನಿಂತ ಬಾಕಿ ಪೈಕಿ 10 ರೂಪಾಯಿಗೆ ಮೇಲ್ಪಟ್ಟ ಬಾಕಿ ಇರತಕ್ಕವರ ತಪಶೀಲ್ ತೋರಿಸುವ ಸ್ಟೇಟ್‌ಮೆಂಟ್ (ಪೂರ್ವಣಿ).

ಖಾತೆ ನಂಬರು	ಖಾತೇದಾರರ ಹೆಸರು	ಯಾವ ಬಾಬಿನದು	ಯಾವ ಸಾಲು ಬಾಬತ್ತು	ಎಷ್ಟು ಮೊಬಲಗು			ಒಟ್ಟು ಮೊಬಲಗು		
			ವಿರೋಧಿಕೃತ್.	ರೂ.	ಆ.	ಪೈ.	ರೂ.	ಆ.	ಪೈ.
102	ಪೋಸ್ಟುವರ್ಕ್ ಮುಸಿಸ ಮಿ	ಅಂಗಡಿ	08—09	4	0	0			
			09—10	4	0	0			
			10—11	4	0	0	20	0	0
			11—12	4	0	0			
			12—13	4	0	0			
103	ಹುಸೇಬಾಬ್ ಬಿ ಬಾಸಿಂಬಾ	ಅಂಗಡಿ ಗಾಡಿ ಸಹಾ	12—13	6	0	0	15	0	0
			13—14	9	0	0			
124	ಪುಟ್ಟಲಿಂಗಸೆಟ್ಟಿ	ಅಂಗಡಿ	10—11	2	9	0			
			11—12	4	0	0	14	9	0
			12—13	4	0	0			
			13—14	4	0	0			
156	ಕುಂಜತ್ತೂರು ಪೊಪರ್ಟಿಸಾಬಿ, ಖಾತೆ ಅಕೀಕರ ಚೌಡಯ್ಯ.	ಅಂಗಡಿ	12—13	2	3	3	21	3	3
325	ಪಟೋ	ಅಂಗಡಿ	13—14	19	0	0			
171	ಹಾಸನದ ಕಂಟ್ರಾಕ್ಟುದಾರ ಅಳಿಸಿಗ ರಾಚಾರ್.	ಅಂಗಡಿ	10—11	19	4	1			
			12—13	10	0	0	39	4	1
			13—14	10	0	0			
251	ಹಾಸನದ ಹಯಾತ್‌ಸಾಬಿ	ಅಂಗಡಿ	09—10	7	0	0			
			10—11	7	0	0	14	0	0
283	ಅಮ್ಮನೆ ಬಿ ಸೂಪಿಬೇರಿ	ಅಂಗಡಿ	13—14	10	0	0	10	0	0
287	ಅಬ್ದು ಬೇರಿ	ಅಂಗಡಿ	10—11	3	10	5			
			11—12	4	0	0	15	10	5
			12—13	4	0	0			
			13—14	4	0	0			
292	ಗಿಸ್ಡಿಸಾಬಿ	ಅಂಗಡಿ	11—12	7	0	0			
			12—13	7	0	0	21	0	0
			13—14	7	0	0			
305	ಬೋಟ್ಲು ಅಂಡ್ಕೊಳ್	ಅಂಗಡಿ	11—12	30	0	0	40	0	0
			12—13	10	0	0			
306	ಹಾಸನದ ಅಬ್ದುಲ್ಲಾಸಾಬಿ	ಅಂಗಡಿ	10—11	0	12	5			
			11—12	7	0	0	21	12	5
			12—13	7	0	0			
			13—14	7	0	0			
314	ಭಾಗಮ್ಮ, ಗಂಡ ಹೆಡ್‌ಮಾಸ್ಟರ್ ಕೃಷ್ಣಪ್ಪ	ಮನೆ	10—11	5	0	0			
			11—12	5	0	0	20	0	0
			12—13	5	0	0			
			13—14	5	0	0			

ಸಕಲೇಶಪುರದ ಮ್ಯುನಿಸಿಪಲ್ ಟೌನ್‌ನಲ್ಲಿ 1913–14ನೆ ಸಾಲ್ ಆಖೈರಿಗೆ ನಿಂತ ಬಾಕಿ ಪೈಕಿ 10 ರೂಪಾಯಿಗೆ ಮೇಲ್ಪಟ್ಟ ಬಾಕಿ ಇರತಕ್ಕವರ ತಪ್ಸೀಲ್ ತೋರಿಸುವ ಸ್ಟೇಟುಮೆಂಟ್ (ಪೂರ್ವಣಿ).

ಖಾತೆ ನಂಬರು	ಖಾತೇದಾರರ ಹೆಸರು	ಯಾವ ಬಾಬಿನದು	ಯಾವ ಸಾಲು ಬಾಬತು	ಎಷ್ಟು ಮೊಬಲಗು	ಒಟ್ಟು ಮೊಬಲಗು
			ವಿರೋಧಿಕೃತ್.	ರೂ. ಆ. ಪೈ.	ರೂ. ಆ. ಪೈ.
320	ಬುಚ್ಚರ್ ಸ್ಟಾಲ್ ಬಾಡಿಗೆ	ಬಾಡಿಗೆ	06—07	15 0 0	51 0 0
			13—14	36 0 0	
207	ಯೂರೋಪಿಯರ್ ಕ್ಲಬ್	ಹತ್ತಲು ಕಂದಾಯ	11—12	30 0 0	92 0 0
			12—13	30 0 0	
		ಹತ್ತಲು, ಮನೆ ಸಹ	13—14	32 0 0	
				ಜುಮ್ಲಾ	567 8 5

ಊರು ಬಿಟ್ಟುಹೋಗಿರುವ ಮತ್ತು ಮೃತಪಟ್ಟವರ ಬಾಬತು ಬರತಕ್ಕ ಬಾಕಿ ಪಟ್ಟಿ
(ವಸೂಲಿಗೆ ರಹಾ ಇಲ್ಲದ್ದು.)

ಖಾತೆ ನಂಬರು	ಖಾತೇದಾರರ ಹೆಸರು	ಯಾವ ಬಾಬಿನದು	ಯಾವ ಸಾಲಿಗೆ	ಎಷ್ಟು ಮೊಬಲಗು	ಷರಾ
			ವಿರೋಧಿಕೃತ್.	ರೂ. ಅ. ಪೈ.	
57	ಹುಸೇನ್‌ಪಾಷ್ಟ ಸಾಬಿ	ಗಾಡಿ	12—13	2 0 0	ಸ್ಥಳದಲ್ಲಿಲ್ಲಾ.
	,, ಖಾತೆ ವೆಂಕಟಸಾಮಿ	ಆಂಗಡಿ	12—13	2 0 0	ಫಲತಿಯಾಗಿರುತ್ತಾನೆ ಯಾವ ವಾರ್ಸುಇಲ್ಲಾ.
	,, ವೇಲಾಯಿದರಡ್ಡಿ	ಡಿಟೋ	12—13	4 0 0	ಡಿಟೋ
148	ರೊಟ್ಟ ಮುನಿವೆಂಕಟಪ್ಪ	ಡಿಟೋ	08—09	4 0 0	ಸ್ಥಳದಲ್ಲಿಲ್ಲಾ.
245	ಬೇಲೂರು ಯಂಗಟೇಗೌಡ ...	ಡಿಟೋ	01—02	2 0 0	ಡಿಟೋ
246	ಮಮ್ಮಿ ಬಿ ಬಡವಿಬೇರಿ	ಡಿಟೋ	01—02	2 0 0	ಡಿಟೋ
256	ಲಬ್ಬೆ ಜಲಾಲುದ್ದೀ	ಡಿಟೋ, ಗಾಡಿ	03—04	6 0 0	ಡಿಟೋ
257	ಚಿಲ್ಲರೆ ಅಂಗಡಿ ಇದ್ದುಬೇರಿ	ಡಿಟೋ	08—09	2 3 0	ಡಿಟೋ
			09—10	4 0 0	
267	ಸೈದ್‌ಹಯಾತ್‌ಸಾಬಿ	ಡಿಟೋ	08—09	4 0 0	ಡಿಟೋ
271	ಬಾಪೂಸಾಬಿ	ಡಿಟೋ	08—09	5 0 0	ಡಿಟೋ
278	ದಾವಣಗೆರೆ ಕೊಟ್ಟೂರಪ್ಪ	ಡಿಟೋ	09—10	3 0 0	ಡಿಟೋ
289	ಗಾಯಕಸ್ಯೆ ರಂಗಾ	ಡಿಟೋ	05—06	1 4 0	ಡಿಟೋ
294	ಹಾಸನದ ಅಬ್ದುಲ್ ಖಾದರ್‌ಸಾಬಿ	ಡಿಟೋ	06—07	7 0 0	ಡಿಟೋ
302	ಮೂಸೆ ಸಾಬಿ	ಡಿಟೋ	10—11	4 0 0	ಡಿಟೋ
307	ರಾಂಪ್ರಸಾದ್	ಡಿಟೋ	08—09	4 0 0	ಡಿಟೋ
			ಜುಮ್ಲಾ ..	56 7 0	

Note on the Audit of the President's Office Municipal Accounts, Kolar.

Name of Senior Auditor—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit—5-11-14.

Date of completion of audit—25-11-14.

Period occupied—(excepting holidays) 18 days in current audit against 9 days in last audit.

Names of President and Vice-President who held office during the period of audit.

Period.	Name of President.
1-7-13 to 31-3-14	P. F. Bowring, Esq.
1-4-14 to 30-6-14	B. Ramaswamiah, Esq., B.A., B.L.

The last audit ended on 24th October 1913 and was the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

PART I—*Action taken on the last audit.*

1. The audit notes with the respective objection statements relating to the audit of 1910-11, 1911-12 and 1912-13 have not yet been returned with the replies to the Comptroller.

Such of the objections as yet remain unanswered have been embodied in three statements accompanying this note. *Vide* statements Nos. 1, 2 and 3.

2. The several amounts objected to for recovery or adjustment during the previous audits as also those recovered or adjusted are given in the statement wherein the amounts still pending recovery or awaiting adjustments are shown. *Vide* statement No. 4.

From the above statement it will be seen that no steps have been taken in the matter of adjusting the several amounts to the credit of the Municipal Funds from other departments and a sum of Rs.1-9-0 objected to for recovery in the audit of accounts for 1910-11 is not yet recovered.

3. Much of the work of the Town Municipal Office even such as the summoning of monthly meetings and recording of resolutions, as well as the maintenance of deposits and Public Works registers continues to be done in the Deputy Commissioner's Office, Local Fund Branch. There is not only some duplication of work under this arrangement, but also the Vice-President in charge of the Town Municipal Office has not in possession of accurate information regarding the balances at the credit of the Municipality. There is no reason why orders of the President should not be obtained by the Vice-President on memos directly submitted by him to the President and instead of by formal communications sent to the Deputy Commissioner's Office This will save a good deal of time and labour in both the offices.

PART II.—*Current Audit.*

The books, etc., examined were the same as in previous audits.

The objections and other irregularities observed during audit are embodied in the statement attached to the note. The more important of them are detailed below :—

(1) In 1913-14 also cheques continued to be issued over the signature of the Treasury Officer "for President" without formal delegation of authority.

(2) The Sub-Division Officers who are the Presidents of the Regulation Municipalities within their Sub-Divisions did not exercise the powers of passing bills and issuing cheques during 1913-14 also.

(3) Payee's receipts were wanting in many instances and completion bills did not accompany the final bills in some cases. This objection has been a recurring one and calls for special attention.

(4) Necessary stock certificates have not been recorded on some bills for tools, etc., purchased.

The amounts objected to for recovery or adjustment work up to Rs. 92-3-6 are detailed below :—

		Rs.	a.	p.
Establishment	...	4	13	5
Contingencies	...	67	2	0
Public work charges	...	20	4	1
		92	3	6

The amount of Rs. 4-13-5 under establishment is made up of Rs. 2-4-2 horse allowance paid to Sanitary Inspectors during joining time and Rs. 2-9- incurred by Chintamani Municipalit

Note on the Audit of the President's Office Municipal Accounts, Kolar.

Name of Senior Auditor—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit—5-11-14.

Date of completion of audit—25-11-14.

Period occupied—(excepting holidays) 18 days in current audit against 9 days in last audit.

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1-7-13 to 31-3-14	P. F. Bowring, Esq.
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PART I—*Action taken on the last audit.*

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2. The several amounts objected to for recovery or adjustment during the previous audits as also those recovered or adjusted are given in the statement, wherein the amounts still pending recovery or awaiting adjustments are shown. *Vide* statement No. 4.

From the above statement it will be seen that no steps have been taken in the matter of adjusting the several amounts to the credit of the Municipal Funds from other departments and a sum of Rs.1-9-0 objected to for recovery in the audit of accounts for 1910-11 is not yet recovered.

3. Much of the work of the Town Municipal Office even such as the summoning of monthly meetings and recording of resolutions, as well as the maintenance of deposits and Public Works registers continues to be done in the Deputy Commissioner's Office, Local Fund Branch. There is not only some duplication of work under this arrangement, but also the Vice-President in charge of the Town Municipal Office has not in possession of accurate information regarding the balances at the credit of the Municipality. There is no reason why orders of the President should not be obtained by the Vice-President on memos directly submitted by him to the President and instead of by formal communications sent to the Deputy Commissioner's Office. This will save a good deal of time and labour in both the offices.

PART II.—*Current Audit.*

The books, etc., examined were the same as in previous audits.

The objections and other irregularities observed during audit are embodied in the statement attached to the note. The more important of them are detailed below :—

(1) In 1913-14 also cheques continued to be issued over the signature of the Treasury Officer "for President" without formal delegation of authority.

(2) The Sub-Division Officers who are the Presidents of the Regulation Municipalities within their Sub-Divisions did not exercise the powers of passing bills and issuing cheques during 1913-14 also.

(3) Payee's receipts were wanting in many instances and completion bills did not accompany the final bills in some cases. This objection has been a recurring one and calls for special attention.

(4) Necessary stock certificates have not been recorded on some bills for tools, etc., purchased.

The amounts objected to for recovery or adjustment work up to Rs. 92-3-6 as detailed below :—

	Rs.	a.	p.
Establishment ...	4	13	5
Contingencies ...	67	2	0
Public work charges ...	20	4	1
	92	3	6

The amount of Rs. 4-13-5 under establishment is made up of Rs. 2-4-2, horse allowance paid to Sanitary Inspectors during joining time and Rs. 2-9-3 incurred by Chintamani Municipality

when it was a legitimate charge on Kolar Municipal Funds.

Horse allowance has, in a few cases, been paid in the absence of the certificate of maintaining a pony, as required under the rules.

(6) Rs. 67-2-0 under contingencies includes an item of Rs. 66-2-10, Potgi allowance paid in the Bowringpet Municipality, in excess of the scale laid down in G. O. No. 12704-13—L. F. 295-96, dated 8th May 1899.

7. *Public Works Charges.*—(1) In some bills, the quantities of work done, was different from those in the measurement book and in others, items of work not recorded in the measurement book were found to have been paid. (*Vide* items 49, 51 and 52.)

This shows that the check exercised over Public Works bills in the President's office was not as satisfactory as could be expected.

(2) The bills relating to Chikballapur Municipality were passed in the President's office with reference to the copies of measurement sent with bills and not with the original measurements. In all cases, the measurement books should be called for and payments made only with reference to the details recorded therein.

(3) The estimates in respect of the below mentioned incomplete works of 1912-13 were not available for audit.

CHINTAMANI.

Voucher No. 14 of March 1914, Rs. 35-4-4—filling up the Karanji.

Voucher No. 12 of March 1914, Rs.348-3-2—constructing slaughter house.

Voucher No. 15 of March 1914, Rs. 249-3-6—repairing Doddapet Chowk.

(4) In voucher No. 42 of April 1914 Rs. 1-13-0 has been deducted from the bill as being the cost of work done in excess of the provision in the estimate. This sum was subsequently included in voucher No. 38 of June 1914 for Rs.11-6-0 and debited to contingencies.

Again, in voucher No. 169 of June 1914 of Goribidnur Municipality, the amount passed by the President was Rs. 28-14-0. But the actual amount paid as per money order receipts and other vouchers work up to Rs. 32-11-0. Presumably the difference of Rs. 3-13-0 was paid from imprest to be subsequently recouped by debiting the item to contingencies. The procedure adopted in the

above cases was irregular. If the amount of expenditure exceeded that of the estimate, the proper course would be to have a revised estimate sanctioned or to obtain the special sanction for the excess expenditure. These amounts have been objected to for recovery in the absence of special sanction. *Vide* item Nos. 22 and 40.

Deposits.—Rs. 24-11-0 which was credited to Octroi in the cash account of Malur Municipality for September 1913, was taken to deposits in the President's Office in the account for that month without corresponding correction in the Vice-President's cash accounts. In October 1913, this amount was adjusted in the President's Office to the credit of Octroi and debit of deposits. This adjustment was incorporated by the President's Office in the municipal cash account for that month ignoring the fact that this amount was credited to the proper revenue head itself in the first instance and was not hanging under deposits in the Vice-President's Office. Thus the deposit balance in the Vice-President's Office was wrongly reduced by this amount. In Chikballapur and Mulbagal Municipalities also the balances were reduced by Rs. 51-10-0 and Rs. 14-12-0 respectively owing to similar mistakes.

These three items should now be readjusted to the credit of deposits and debit to the revenue heads of account concerned in the original adjustments, and the correct balances struck in communication with the Comptroller. (*Vide* items Nos. 66a and 66c.)

Again, Rs. 50 appeared in the accounts of Chikballapur Municipality for July 1913, against Lighting Tax when it was included in the statement of receipts of deposits sent with the cash account. This amount was brought on the Deposit Register in the President's Office without making necessary corrections in the cash account. Necessary corrections should have been made in the Cash Account also and the fact intimated to the Vice-President's Office. Early steps may be taken to have the accounts corrected in communication with the Comptroller. *Vide* objection item No. 66d.

Officer in charge of
Local Audit Department.

GPB—12—1-2-15

when it was a legitimate charge on Kolar Municipal Funds.

Horse allowance has, in a few cases, been paid in the absence of the certificate of maintaining a pony, as required under the rules.

(6) Rs. 67-2-0 under contingencies includes an item of Rs. 66-2-10, Potgi allowance paid in the Bowringpet Municipality, in excess of the scale laid down in G. O. No. 12704-13—L. F. 295-96, dated 8th May 1899.

7. *Public Works Charges.*—(1) In some bills, the quantities of work done, was different from those in the measurement book and in others, items of work not recorded in the measurement book were found to have been paid. (*Vide* items 49, 51 and 52.)

This shows that the check exercised over Public Works bills in the President's office was not as satisfactory as could be expected.

(2) The bills relating to Chikballapur Municipality were passed in the President's office with reference to the copies of measurement sent with bills and not with the original measurements. In all cases, the measurement books should be called for and payments made only with reference to the details recorded therein.

(3) The estimates in respect of the below mentioned incomplete works of 1912-13 were not available for audit.

CHINTAMANI.

Voucher No. 14 of March 1914, Rs. 35-4-4—filling up the Karanji.

Voucher No. 12 of March 1914, Rs.348-3-2—constructing slaughter house.

Voucher No. 15 of March 1914, Rs. 249-3-6—repairing Doddapet Chowk.

(4) In voucher No. 42 of April 1914 Rs. 1-13-0 has been deducted from the bill as being the cost of work done in excess of the provision in the estimate. This sum was subsequently included in voucher No. 38 of June 1914 for Rs.11-6-0 and debited to contingencies.

Again, in voucher No. 169 of June 1914 of Goribidnur Municipality, the amount passed by the President was Rs. 28-14-0. But the actual amount paid as per money order receipts and other vouchers work up to Rs. 32-11-0. Presumably the difference of Rs. 3-13-0 was paid from imprest to be subsequently recouped by debiting the item to contingencies. The procedure adopted in the

above cases was irregular. If the amount of expenditure exceeded that of the estimate, the proper course would be to have a revised estimate sanctioned or to obtain the special sanction for the excess expenditure. These amounts have been objected to for recovery in the absence of special sanction. *Vide* item Nos. 22 and 40.

Deposits.—Rs. 24-11-0 which was credited to Octroi in the cash account of Malur Municipality for September 1913, was taken to deposits in the President's Office in the account for that month without corresponding correction in the Vice-President's cash accounts. In October 1913, this amount was adjusted in the President's Office to the credit of Octroi and debit of deposits. This adjustment was incorporated by the President's Office in the municipal cash account for that month ignoring the fact that this amount was credited to the proper revenue head itself in the first instance and was not hanging under deposits in the Vice-President's Office. Thus the deposit balance in the Vice-President's Office was wrongly reduced by this amount. In Chikballapur and Mulbagal Municipalities also the balances were reduced by Rs. 51-10-0 and Rs. 14-12-0 respectively owing to similar mistakes.

These three items should now be readjusted to the credit of deposits and debit to the revenue heads of account concerned in the original adjustments, and the correct balances struck in communication with the Comptroller. (*Vide* items Nos. 66a and 66c.)

Again, Rs. 50 appeared in the accounts of Chikballapur Municipality for July 1913, against Lighting Tax when it was included in the statement of receipts of deposits sent with the cash account. This amount was brought on the Deposit Register in the President's Office without making necessary corrections in the cash account. Necessary corrections should have been made in the Cash Account also and the fact intimated to the Vice-President's Office. Early steps may be taken to have the accounts corrected in communication with the Comptroller. *Vide* objection item No. 66d.

Officer in charge of
Local Audit Department.

GPB—12—1-2-15

Note on the Audit of the Kolar Town Municipal Accounts for 1913 14.

Name of Senior Auditor.—V. Govindaraju Mudaliar.

Name of Assistant Auditor.—T. S. Somanatha Rao.

Date of Commencement of Audit.—26th November 1914.

Date of Completion of Audit.—10th December 1914.

Period occupied (excepting holidays) 13 days in Current Audit against 14 days Last Audit.—

Names of President and Vice-President who held Office during the period of audit.—

Period.	Name of Vice-President.
1-7-1913 to 31-8-1913	A. Mrityunjaya Iyer, Esq., B.A.
1-9-1913 to 3-3-1914	S. Malhari Rao, Esq., B.A.
4-3-1914 to 16-4-1914	V. L. Manker, Esq.
17-4-1914 to 30-6-1914	C. B. Gopal Rao, Esq.

The last audit ended on 2nd August 1913 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 200 sanctioned for this Municipality, the cash on hand on 27th November 1914 was Rs. 147-6-4 and this agreed with the balance shown in the Imprest Book.

PART I.—Action taken on the last Audit.

1. The three audit notes of 1910-11, 1911-12 and 1912-13 have not yet been returned to the Comptroller's Office with replies.

2. Two statements of outstanding objection items for 1910-11 and 1911-12 are appended to the note.

Vide Statements Nos. 1 and 2.

3. Stock of counterfoil receipt books have not yet been opened as suggested in para 4 of the note of audit of accounts for 1910-11.

4. The system of granting phut receipts and noting on pattas pointed out in para 8 of the audit note of accounts for 1911-12 is being continued.

5. A statement showing the amounts placed under objection, those recovered and the balance, is herewith appended.

Vide Statement No. 3.

PART II.—Result of Current Audit.

1. The books, etc., examined are the same as on previous occasions.

2. The financial condition of the Municipality stands as follows:—

	Revenue Head	Public Debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	3,943 0 0	1,633 3 3	5,576 3 3
Receipts 1913-14.	10,996 5 8	1,234 7 0	12,230 12 8
Total ...	14,939 5 8	2,297 10 3	17,236 15 11
Expenditure 1913-14.	11,197 3 4	1,122 14 0	12,320 1 4
Balance on 30th June 1914.	3,742 2 4	1,144 12 3	4,886 14 7

3. The objections noticed in audit are embodied in the objection statements attached to the note and the important points are noted below.

4. *Imprest Cash Book.*—This is not maintained properly. Dates of recoupment are not noted against the items of advance, etc. When recoupment is made, a line should be drawn and the amount recouped should be shown in red ink and all unrecouped items should be brought forward on the begnining of the following month.

5. *Octroi.*—(1) In spite of the objections raised during the audit of 1911-12, octroi duty on cloths is being levied only on the net value of goods after deduction of discount, packing charges, commission to brokers, etc., and not on the gross value of the goods. This has resulted in a loss of more than Rs. 25 as shown in the statement attached herewith.

Vide Statement No. 4.

Necessary instructions should be issued to the octroi manegar in this matter.

(2) A Stock Book is being maintained wherein the particulars of cloth imported into the Municipal limits, those that have been sold, and the balance

taken out of the municipal limits, are detailed and the octroi is being collected only on the value of goods sold as shown in the stock book. The rules require that octroi duty should be levied on the value of goods imported simultaneously with the introduction into Municipal limits except when they are to be exported immediately or arrangement is made in the Municipality under Section 80 of the Municipal Regulation, *vide* rules 131. et. seq. of Municipal Account Manual. The adoption of this procedure has resulted in the non-levy of octroi on cloths to the value of Rs. 3,592-6-2 otherwise subject to a duty of Rs. 71-13-6 during the period under audit.

Vide Statement No. 5.

(3) There was a short collection of Re. 1-10-1 in two cases owing to the fact that discount has been deducted from the value of goods in the duplicate patties, when no mention was made in the original of any discount allowed.

6. *Mohatarfa.*—(1) The Demand, collection and balance for the year 1913-14 were as under:—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	1,437	10	0
Demand for 1913-14 ...	4,819	0	0
Notice fees	7	4	0
Total ...	6,263	14	0
Collection	4,025	6	2
Balance ...	2,238	7	10

The large balance is stated to be due to the prevalence of plague in the town for nearly four months in the year.

(2) Out of 913 cases of outstanding items notices were found to have been issued only in respect of 133 cases.

(3) At the close of June 1914 there remained a sum of Rs. 52-8-0 being the tax on Government buildings for 1912-14 unadjusted.

(4) There were delays in the remittance of the mohatarfa collections into the treasury in the following instances:—

Amount	Date of collection	Date of remittance
Rs. a. p.		
3 8 0 ...	14th & 18th Nov. 1913 ...	29th Nov. 1913.
2 12 0 ...	3rd & 5th Dec. 1913 ...	30th Dec. 1913.
1 10 0 ...	10th Jan. 1914 ...	31st Jan. 1914.

(5) The mohatarfa and octroi collections are being remitted direct into the treasury without being checked in the

Municipal Office. Attention is invited to Article 324, Municipal Account Manual, wherein the procedure to be followed has been detailed.

(6) Reduction of taxes has been sanctioned by the Vice-President in the absence of applications in two cases and the facts adduced in the Kammi Jasti Register for effecting variations in assessment does not appear to have been examined by the Vice-President locally with the help of any Municipal Councillor.

7. *Register of Building Sites, etc.*— No register is maintained to watch the sale of sites and the recovery of the sale amounts. The southern extension consisted of 6 bungalow sites priced at Rs. 175 each, 12 mandi sites priced at Rs. 45 each, and 24 house sites priced at Rs. 45 each, as per Vice-President's note dated 23rd May 1914.

Of these, 3 bungalow sites, 10 mandi sites and 9 house sites were disposed of up to end of 1913-14, leaving a balance of 3, 2 and 15 respectively, under the different heads.

The cost of 2 bungalow sites, *viz.*, Rs. 175 due from Mr. Venkatesiengar, Retired Amildar, was outstanding on 30th June 1914 though the land was sold to him in December 1912, as per Municipal Council's Resolution of 21st December 1912. Early steps may be taken for the recovery of the amount.

The third bungalow site was handed over to the District Fund Board for the construction of a musafirkhana as per resolution, dated 30th November 1912 and no steps were taken to recover its value from the District Fund. Only 9 out of 19 sites disposed of have been assessed.

8. *Stock Register of Water-supply Articles.*—(1) The Stock Register is not maintained in proper form, there being no columns provided in it to show the articles purchased, issued and balance on hand in respect of each item.

(2) There were no indications to show that the stock was ever examined by the Vice-President or any responsible officer.

(3) The stock on hand does not seem to have been properly taken charge of by the several Sanitary Inspectors of the Municipality.

(4) Under date 11th July 1912, two municipal lights are stated in the Stock Register, to have been put up in the compound of the bungalow occupied by the Deputy Commissioner and belonging

to Public Works Department and the cost of these has yet to be adjusted to the credit of the Municipality by debit to Public Works Department.

(5) Nine bottles, 40 old oil-tin cans and 38 burners, were said to have been sold to one Ghouse Sab, lighting contractor, on 13th August 1914 for Re. 0-12-0 and the amount remains unrecovered till the date of audit.

(6) Articles of water-supply stores and those of the conservancy department are mixed up together in the Stock Register. It would be better if stock accounts are kept for each department separately.

9. *General.*—(1) The assessment of tax on houses has only recently been revised in accordance with G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, and passed by the Council.

(2) The new Municipal Account Manual has not yet been brougut into force.

(3) No Furniture Account and Stock of Forms, etc., have been kept in the Vice-President's Office and the Municipal clerk has promised to prepare one during 1914-15.

(4) The President to the Kolar Town Municipality and the Vice-President having separate offices, there is much unnecessary duplication of work and delay in the disposal of work. It is not clear why the Municipal office presided over by a non-official wholetime Vice-President should not be sufficiently strengthened so as to cope with all the work of the Municipality or why orders of the President should not be obtained by the Vice-President on memos submitted by him directly from the Municipal Office. Under the present procedure, much important work of the Town Municipality including the summoning of meetings of the Council and the reading of the proceedings thereof is done in the Local Fund Branch of the Deputy Commissioner's Office and the Municipal Office is kept in the dark regarding even the extent of its funds

Asst. Comptr. and Officer
in charge, Local Audit
Department.

GPB—15—15-8-1

Note on the Audit of the Goribidnur Municipal Accounts for 1913-14.

1. *Name of Senior Auditor.*—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of commencement of audit.—1st May 1915.

Date of completion of audit.—5th May 1915.

Period occupied (excepting holidays and Sundays).—4 days in current audit against last audit 3 days.

Period.—1st July 1913 to 30th October 1913.

Names of Vice-Presidents.—V. Gopal Rao, Esq., B.A.

1st November 1913 to 30th June 1914.

C. V. Krishnaswami Rao, Esq., B.A.

The last audit ended on 29th June 1914, and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.

Out of the imprest of Rs. 100 sanctioned for this Municipality the cash on hand on 3rd May 1915 was Rs. 96-3-0. The difference of Rs. 3-13-0 has been accounted for as under:—

	Rs.	a.	p.
9th June 1914—Railway charges paid for lanterns, etc., received from Ponnu & Co.	1	9	0
15th August 1914—Cost of lantern purchased from Ponnu & Co.	2	4	0
Total	3	13	0

2. On 13th April 1914 a sum of Rs. 14 was advanced to Shroff Ramakrishniah for meeting expenses in connection with remitting treasure to State Huzur Treasury and it was adjusted on 9th June 1914. The utilisation of Municipal imprest for purposes unconnected with the Municipal administration is objectionable.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

1. The Audit Note and Objection Statements for 1911-12 and 1912-13 received in the Vice-President's (Office

with the President's) Memo No. 122, dated 12th August 1914, were not returned to the President with replies.

2. The several amounts objected to for recovery during last audit have been recovered partly at the time of last audit and partly subsequent to that date as noted below:—

Objection No.	Objected to for recovery			Amount recovered			Date of recovery
	Rs.	a.	p.	Rs.	a.	p.	
1	1	15	5	1	15	5	29th June 1914.
3	3	4	0	3	4	0	Do.
4	0	4		0	4	0	14th Oct. 1914.
5	2	0	6	2	0	3	31st Aug. 1914.
6	0	4	0	0	4	0	30th June 1914.

3. The omission to obtain security from the Conservancy Daroga entrusted with the collection of Octroi and to maintain the Railway Receipt and Invoice Register in accordance with Rule 118 of M. A. M., still remains unrectified. But the Municipal Council's resolution, dated 11th February 1915 to obtain a security of Rs. 10 from the Daroga was submitted to the President for approval in Vice-President's No. 453, dated 16th February 1915.

4. Four books of counterfoils of receipts for the several periods referred to in Item No. 2 of the Objection Statement were not available for check this year also and this has been brought on the list of objections raised last year but still outstanding.

PART II.—Result of Current Audit.

1. The defects and irregularities noticed in current audit are embodied in the Objection Statements attached to the Note.

2. The financial condition of this Municipality at the end of 1913-14 is worked out as under:—

	Revenue			Public Debt			Total		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Balance on 1-7-13	1,284	2	1	—89	1	0	1,295	1	1
Receipts ...	2,019	0	5	24	7	0	2,043	7	5
Total ...	3,303	2	6	—65	10	0	3,338	8	6
Expenditure ...	1,451	10	9	147	3	6	1,598	14	3
Balance ...	1,852	7	9	—202	13	6	1,740	10	3

3. Octroi.

(1) The entries in some counterfoils were found to have been first made in pencil and then inked and in some

others corrections in the amount originally entered were observed. It is wise to make it a rule that no alterations or additions shall be made after a receipt has once been made out. If any amendment is necessary the incorrect receipt should be cancelled and replaced by a fresh one. If this is invariably adopted a loophole for fraud is closed; for, alterations in receipts are always unsatisfactory, especially when the correction reduces the amount of the receipt. The additional labour involved in cancelling the incorrect receipt and writing a fresh one is worth taking.

(2) In one case piece-goods to the value of Rs. 223-13-9 imported by one Venkatappa from Tumkur town were exempted from payment of Octroi on the ground that the goods had been impressed with the seal of the Tumkur Town Municipality. This is a serious omission. The duty of Rs. 4-8-0 recoverable on this consignment should have been claimed from the Tumkur Municipality if the importer had furnished sufficient evidence that the goods had been imported into Goribidnur within three months of the date of payment of Octroi at Tumkur and failing this the proper duty should have been recovered from the importer in the usual course. It was pointed out that this procedure was based on a resolution of the Municipal Council, dated 31st July 1913, that piece-goods which have once been subjected to Octroi and impressed with the seal of a Municipality should be exempt from further payment without consideration of the time limit of 3 months, but this resolution which conflicted with G. O. No. 6327-45, dated 25th January 1905 (*vide* Art. 152, M. A. M.) cannot be given effect without the sanction of Government.

4. Mohatarfa.

(1) The Demand, Collection and Balance on account of Mohatarfa during the period under audit were as under:—

	Goribidnur Town			Branch Town		
	Rs.	a.	p.	Rs.	a.	p.
Arrears on 1st July 1913 ...	134	15	7	81	0	0
Demand including for 1913-14 including excess collection, notice fee, etc.	1,093	5	4	224	8	0
Total ...	1,228	4	11	305	8	0
Collection ...	1,097	1	4	206	4	0
Balance on 30th June 1914 ...	131	3	7	99	4	0

(2) Of the balance of Rs. 131-3-7 and Rs. 99-4-0 outstanding in respect of

Goribidnur Town proper and branch repectively Rs. 90 and Rs. 13 were collected up to the date of audit. The balance of Rs. 86-4-0 still outstanding in the Branch Town includes Rs. 20 the tax on Barr huts for five years from Manmatha which have been proposed to be remitted and the proposal was sent to the Chikballapur Sub-Division Officer in Vice-President's No. 526, dated 5th May 1914.

(3) *Notice Register.*—The defects pointed out in last audit continued, the dates of service of notice and further steps taken not having been specified in many cases. The omission to collect notice fee in one instance when the collection was made after the notice was served has been brought on the objection statement for recovery. *Vide* objection No. 12.

5. *Debt Heads.*—The amount of Rs. 146-8-6 hanging under Public Debt (4) other items, for want of details, requires early adjustment.

(Sd.) B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge,
Local Audit Department.

CTB—15—8-7-15

Note on the Audit of Accounts of the Gudibanda Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—6th May 1915.

Date of Completion of Audit.—7th May 1915.

Period occupied (excepting holidays). 2 days in current audit against last audit 2 days.

Period.—Names of Vice-Presidents.

1-7-13 to 11-3-14	T. T. Ramachandra Rao, Esq., B.A.
12-3-14 to 24-5-14	B. Naraina Iyer, Esq.
25-5-14 to 30-6-14	T. T. Ramachandra Rao, Esq., B.A.

The last audit ended on 26th June 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the Imprest of Rs. 50, sanctioned for this Municipality the cash on hand on 7th May 1915 was Rs. 33-15-5 and included in Rs. 315-8-2 of the General Cash book. The difference of Rs. 16-0-7 is accounted for as under :—

		Rs.	a.	p.
20-4-14	Lighting charges paid to contractor	11	10	3
,,	Paid to lamp lighter for 20 days at Rs. 2 per mensem	2	9	3
4-5-14	Pound commission paid to Town Patel.	0	9	1
31-12-14	Purchased baskets for sweepers	1	4	0
	Total ...	16	0	7

The bill sent in Vice-President's No. 752-3, dated 19th May 1914, for recoupment of the first three items was pending in the President's Office.

Part I.—Action taken on the last audit.

1. The amount of annas 12 objected to in last audit was recovered and credited on 31st October 1914 and the remaining objections answered with the exception of the following.

The adjustment of Rs. 2-8-4 wrongly credited to Bagepalli instead of to Gudibanda Municipality was not effected.

PART II.—RESULT OF CURRENT AUDIT.

2. The financial condition of this Municipality was as under during 1913-14:—

	Revenue Head	Debt Head	Total
	Rs.	Rs.	Rs.
Opening balance on 1st July 1913.	750 12 10	−47 8 0	703 4 10
Receipts during 1913-14.	1,267 14 4	13 4 6	8181 2 10
Total ...	2,018 11 2	−31 3 6	1,984 7 8
Expenditure ...	875 3 2	17 12 6	892 15 8
Balance on 30th June 1914.	1,143 8 0	−53 0 0	1,091 8 0

3. *Mohatarfa.*—The demand, collection and balance for 1913-14 were worked out as below:—

	Rs.	a.	p.
Arrears on 1-7-13	5	5	0
Demand for 1913-14	1,136	7	6
Total ...	1,141	12	6
Collection ...	1,134	4	6
Balance on 30th June 1914 ...	7	8	0

Of the balance of Rs. 7-8-0 the amount collected up to the date of audit was Rs. 6 leaving a balance of Rs. 1-8-0 outstanding.

4. *Cash book.*—The cash book was not signed by the Vice-President at the end of the month in some instances. *Vide* entries relating to April to June 1914.

The contributions, etc., adjusted in the President's office were not incorporated in the cash book nor were the opening and closing balances struck in it.

5. *Monthly reviewed accounts.*—The closing balances in the reviewed accounts from December 1913 to June 1914 were not incorporated in the office copies of the accounts, as it was said that debits, to the extent of Rs. 14-2-0. (Rs. 13-10-0 under lighting charges and 8 annas under reward for killing snakes) appeared in the reviewed accounts when no cheques for the amounts were received from the President's Office. A reference also is stated to have been made to that office in that matter. This debit of Rs. 14-2-0 in the account for December 1913 has to be

verified in communication with the Comptroller and the account corrected, if found necessary.

6. *General.*—The revision of assessment of house tax was made in 1913-14 resulting in a net increase of Rs. 211-8-0 as pointed out in last audit note.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer in charge of the Local Audit Department.

GPB—15—8-7-15

Note on the Audit of the Bagepalli Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—11th May 1915.

Date of Completion of Audit.—12th May 1915.

Period occupied (excepting holidays).—Two days in current audit against last audit two days.

Period.—1st July 1913 to 30th June 1914.

Name of Vice-President.—V. S. Vasudeva Rao, Esq., B A.

The last audit ended on 23rd June 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 100 sanctioned for this Municipality, the cash on hand on 11th May 1915 was Rs. 78-0-6 and agreed with the balance shown in the imprest book. The difference of Rs. 21-15-6 is accounted for as follows :—

	Rs.	a.	p.
(1) 21st February 1914. Advance for cart-hire to a peon to go to Kolar for fetching water pump (balance)	1	1	6
(2) 5th March 1914. Advance for cart-hire to a peon to go to Kolar for fetching water pump (balance)	5	10	0
(3) 5th June 1914. Advance for preparing a new conservancy cart	8	0	0
(4) 29th June 1914. Advanced to the Sanitary Inspector to go to Kolar for taking village improvement bills to the Deputy Commissioner ...	4	8	0
(5) 28th November 1914. Cost of repairing vessels in travellers' bungalow at Gantanivarpalli (balance) ...	1	4	0
(6) 29th March 1915. For tinning vessels in Gantanivarpalli travellers' bungalow ...	1	0	0
(7) 3rd April 1915. Cost of bamboo tatis for sweepers ...	0	8	0
Total ...	21	15	6

The Imprest has been utilised for purposes unconnected with the Municipality and is apparently more than what is required to meet emergent payments of the Municipality. It may be reduced to Rs. 50.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

1. The audit note and objection statements on the examination of accounts for 1911-12 and 1912-13 received in the Vice-President's office on 24th August 1914 have not been returned with replies up to the date of current audit.

2. A statement showing the objections raised during last audit and still outstanding has been prepared and attached to this note.

3. Notice register has not been maintained during 1914-15 also.

4. The difference of Rs. 44-0-6 under deposit pointed out in para 4 of last audit note was not adjusted during 1913-14 also nor was any reference made to the President in the matter.

PART II—RESULT OF CURRENT AUDIT.

1. The irregularities observed in the examination of the accounts for 1913-14 have been embodied in the objection statement attached to this note.

2. The Financial condition of the Municipality for 1913-14 were as under:—

	Revenue head	Debt head	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	32 4 11	—50 11 6	—18 6 7
Receipts during 1913-14.	761 15 9	64 12 9	826 12 9
Total ...	794 4 8	14 1 6	808 6 2
Expenditure ..	551 3 11	64 12 0	615 0 11
Balance on 30th June 1914.	243 0 9	—50 11 6	192 5 3

3. *Mohatarfa.*—The demand, collection and balance under mohatarfa for 1913-14 were worked out as under:—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	113	2	0
Demand for 1913-14 including notice fee and interest ...	588	11	4
	701	13	4
Sale of amarai	63	6	9
„ land	41	9	2
„ manure	5	0	0
„ stones	7	0	0
Total ...	818	13	3
Collection	724	3	3
Balance on 30th June 1914 ...	94	10	0

Of the above balance of Rs. 94-10-0 Rs. 58-6-0 have been collected up to date of current audit as shown below, leaving a balance of Rs. 36-4-0 still to be recovered.

	Rs.	a.	p.
31st July 1914 ...	24	6	0
31st August 1914 ...	2	4	0
9th September 1914 ...	6	12	0
10th September 1914 ...	4	8	0
31st October 1914 ...	3	0	0
28th January 1915 ...	13	8	0
20th February 1915 ...	2	0	0
31st March 1915 ...	0	8	0
26th April 1915 ...	1	8	0
Total ...	58	6	0

2. *Khiridi.*—Some corrections in the Khiridi entries reducing the amounts originally entered were noticed and the shanbhog was not able to account for the corrections. The Vice-President would do well to examine such cases with the receipts granted to tax payers. *Vide* objection No. 11.

3. A some of Rs. 55-4-0 being the sale proceeds of produce of Jambu trees situated outside the Municipal limits has been credited to Municipal Funds.

4. *Imprest.*—Irregular Advances, *viz.*, of pay to Local Fund clerks, sweepers and advance to patels for constructing chavadis have been made from imprest. *Vide* objection Nos. 1 to 6.

5. The sale records in certain cases, were not produced for check. *Vide* objection No. 10.

6. *Cash book.*—(1) Cheque No. 50—369, dated 30th June 1914, for Rs. 44-8-0 was not brought on the cash book.

(2) The annual adjustments, opening and closing balances are not entered in the cash book.

7. *General.*—(1) The revision of assessment as ordered in G.O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been effected during 1913-14.

(2) Barr huts, Sub-Assistant and midwive's quarters have not been brought under assessment.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer in charge of Local Audit Dept.

GPB—12—27-7-15

Note on the Audit of Mulbagal Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Row, B.A.

Date of Commencement of Audit.—8th June 1915.

Date of Completion of Audit.—11th June 1915.

Period occupied (excepting holidays).—Four days in current audit against 6 days in last audit.

Period.—1st July 1913 to 30th June 1914.

M. Ramachandra Row, Esq, B.A.

The last audit ended on 20th August 1913 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

(2) *Check of Cash Balance.*—Out of the imprest of Rs. 100 sanctioned for this Municipality the cash on hand on 8th June 1915 was Rs. 48-3-6 and agreed with the Imprest book balance.

The balance of Rs. 51-12-6 was the expenditure incurred and pending recoupment.

		Rs.	a.	p.
April 1915. Deepening the well in Vitalkunte	...	40	1	6
May 1915. Cart-hire for sending pipes to Srinivaspur	...	1	11	0
June 1915. Advanced to Local Fund clerk for taking the articles for exhibition in the Kolar Town	...	10	0	0
Total	...	51	12	6

PART I.—ACTION TAKEN ON THE LAST AUDIT.

(3) The audit note and objection statements relating to 1911-12 and 1912-13 were returned to the Comptroller with replies in President's No. 2155, dated 28 May 1915, and only such of the items as have not been explained are embodied in the objection statements attached to the note.

(i) The Revenue peon of the Taluk Office, who has been doing the duties of

Daroga has furnished a security of Rs. 50 (*vide* Savings Bank pass book No. 338, dated 15th February 1915 of the Mulbagal Taluk.)

(ii) A bill for Rs. 67 on account of the arrears of tax due on the Barr huts was sent to the President in No. 705, dated 26th April 1915, for recovery and adjustment.

	Rs.	a.	p.
From Jaya to Hevilambi ...	11	0	0
" Kilaka to Paridhavi ...	40	0	0
„ 1913-14 and 1914-15 ...	16	0	0
Total ...	67	0	0

(iii) The revision of the house tax though taken up on hand has not been completed yet. And every year's delay in effecting revision means loss to the Municipality.

(iv) The system of granting receipts to Mohatarfa tax payers in forms having counterfoils has not yet been introduced.

PART II.—Result of the Current Audit.

4. The objections noticed in current audit are embodied in the objection statement attached to the note.

5. The financial condition of this Municipality was as follows during 1913-14:—

	Revenue head			Debt head			Total		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Opening balance on 1st July 1913 ...	4,727	2	3	43	8	0	4,770	10	3
Receipts during 1913-14 ...	3,225	2	2	150	5	0	3,375	7	2
Total ..	7,952	4	5	193	13	0	8146	1	5
Expenditure ...	4,198	4	11	317	12	0	4,516	0	11
Balance ...	3,753	15	6	—123	15	0	3,630	0	6

6. *Mohatarfa.*—(i) The demand, collection and balance for 1913-14 were as under.—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	1,078	2	6
Demand for 1913-14 ...	2,344	14	2
Total ...	3,423	0	8
Collections ...	1,670	0	2
Balance ...	1,753	0	6

Of this Rs. 748-14-0 was stated to have been recovered up to the date of audit, leaving a balance of Rs. 1,004-2-6 still outstanding.

(2) *Notice Register.*—This register merely contains a list of the notices handed over to the patel for service to the defaulters and does not give information as to how many were served and what further action was taken in cases where the arrears were not collected even after the service of notices.

7. *Pound.*—(1) Three sheep impounded on 6th May 1914 were not entered in the pound register. Annas 3 were consequently objected to for recovery in item No. 1 of the objection statement.

(2) Signatures of the releasers of cattle have not been taken in the pound register during 1913-14 also.

8. *Deposit.*—The total sum of Rs. 150-5-0 as detailed in the margin, which appear in the Deposit Register of the Vice-President's office has not been shown in the monthly accounts under Deposit but credited to Revenue heads concerned, while Rs. 14-12-0 has been debited to deposit in November 1913 and credited to B (1) pounds, when the credit of this item did not appear under Deposit in the first instance.

	Rs.	a.	p.
August 1913 ...	14	12	0
May 1914 ...	0	9	0
June 1914 ...	135	0	0
Total ...	150	5	0

(2) The balance under debt head as appearing in the reviewed monthly accounts

	Rs.	a.	p.
For June 1914 is	—274	4	0
Deducting from this, the imprest of Rs. 100 and Rs. 159-8-0 appearing under suspense (debit) head	—259	8	0
	—14	12	0

the deposit balance comes to—Rs. 14-12-0. The working of a minus balance under Deposit is caused by the error mentioned above.

After rectifying the omission to take the above sum of Rs. 150-5-0 under Deposit Receipts, the correct balance under Deposits is Rs. 135-9-0 for which details are available in the Vice-President's Office Deposit Register.

B. SREENIVASA IYENGAR,

Assistant Comptroller & Officer in charge of Local Audit Department.

GPB—12—30-7-15

Note on the Audit of the Chintamani Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—28th May 1915.

Date of Completion of Audit.—1st June 1915.

Period occupied (excepting holidays and Sundays,) 4 days in current audit against 14 days in last audit.

The last audit ended on 5th September 1913 and was for the peribd from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the Imprest of Rs. 100 sanctioned for this Municipality the cash on hand on 28th May 1915 was Rs. 78-14-0 and agreed with the Imprest book balance. The difference of Rs. 21-2-0 was the expenditure incurred on the following dates but pending recoupment :—

		Rs.	a.	p.
21-12-14	Advanced for purchasing plague shed materials.	3	4	0
28-12-14	Cart hire for fetching shed materials from Sidlaghatta.	3	0	0
2-1-15	Cart hire for fetching shed materials from Srinivaspur.	2	4	0
,,	Do	2	4	0
12-1-15	Disinfection charges	5	0	0
27-1-15	Reward for killing snakes	0	4	0
15-2-15	For tinning the musafirkhana vessels.	1	8	0
2-3-15	Reward for killing snakes	0	2	0
8-3-15	Do	0	2	0
13-3-15	Do	0	2	0
15-3-15	Cart hire for fetching lanterns received from Madras.	2	8	0
9-4-15	Reward for killing snakes	0	2	0
12-4-15	Do	0	4	0
16-4-15	Do	0	2	0
4-5-15	Do	0	2	0
,,	Do	0	2	0
	Total	21	2	0

A sum of Rs. 20 was advanced on 3rd March 1915 to the shroff for expenses in connection with remittance to Kolar; from the Municipal Imprest.

PART I.—ACTION TAKEN ON THE LAST AUDIT,

1. The audit note and objection statements relating to 1911-12 and 1912-13 were returned with replies to the Comptroller in President's No. 2155, dated 28th May 1915.

2. Most of the objections raised during last audit have been explained. But the amounts of Rs. 104-2-0 and 22-4-0 due as value of sites sold to Messrs. Venkatappa and Nagesa Rao outstanding from 21st December 1912 and 22nd March 1913 respectively remained to be recovered.

3. No site register has yet been opened to show the demand, collection and balance of the value recovered for sites sold.

The items of objections raised during previous audit that remain to be disposed of are detailed in the accompanying objection statement.

PART II.—RESULT OF THE CURRENT AUDIT.

1. The objections noticed in current audit are embodied in the objection statements attached to the note.

2. The financial condition of the Municipality stands as below :—

	Revenue Head	Debt Head	Total
	Rs.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	31,645 14 10	470 0 0	32,115 14 10
Receipts during 1913-14.	10,677 2 5	833 10 5	11,510 12 10
Total ...	42,323 1 3	1,303 10 5	43,626 11 8
Expenditure ...	8,725 14 7	731 14 0	9,457 12 7
Balance on 30th June 1914.	33,597 2 8	571 12 5	34,168 15 1

3. In this Municipality also as in several others, the discount allowed to importers of piece-goods is being deducted from the gross value of the goods and Octroi recovered only on the balance. Since the discount so allowed does not reduce the cost of the individual cloths and as Octroi is recoverable on the value of the goods at the place of import the deduction of discount was not regular and the amount of Rs. 4-4-9 foregone by the Municipality as detailed in objection statement item No. 1 has been objected to for recovery.

4. *Mohatarfa.*—(1) No action was taken in revising the assessment of house tax in Chintamani proper or in the Nellundi village. Only the mohatarfa taxes in the

small suburbs of Mallapalli and Somasettihalli villages were revised by a Sub-Committee with the Sub-Registrar as President.

(2) The demand, collection and balance for 1913-14 under this head were as under :—

	Chintamani Town Proper	Nekkundi	Somasettihalli	Malapalli
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Arrears on 1st July 1913.	244 11 4	146 4 0	7 12 0	1 9 0
Demand for 1913-14.	1,678 8 0	1,499 4 0	127 7 4	65 14 0
Total ...	1,923 3 4	1,645 8 0	135 3 4	66 14 0
Collections.	1,552 3 4	1417 4 0	81 3 4	49 10 0
Balance on 30th June 1914.	371 0 0	228 4 0	54 0 0	17 4 0

Of the balances outstanding on 30th June 1911, against the several blocks the collections made up to the date of audit and the balances remaining to be recovered are given below :—

	Chintamani Town Proper	Nekkundi	Somasettihalli	Malapalli
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 30th June 1914.	371 0 0	228 4 0	54 0 0	17 4 0
Collections up to date of audit.	249 12 0	101 0 0	31 4 0	7 0 0
Balance ...	121 4 0	127 4 0	22 12 0	10 4 0

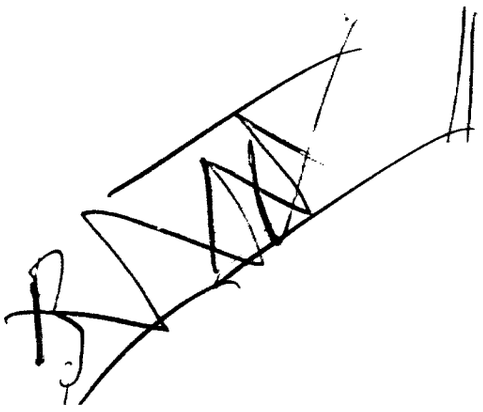
(3) No notices were said to have been issued for the recovery of these arrears.

(4) There were also found to be many corrections in the khirde of the Chintamani town proper and Somasettihalli blocks and the receipts called for to verify the actual collections made, were not available.

(5) The Treasury certificates in many instances were wanting in the Treasury Officer's signature. *Vide* objections Nos 3, 4 and 5.

General remarks.—The Municipality has at its credit a fairly large balance of over Rs. 33,000 while the maximum closing balance required to be maintained according to rules is about 3 to 4,000, *viz.*, 30 per-

cent of the annual receipts. If the surplus is not immediately required for any large public work it is a point for the consideration of the Council as to why a suitable amount should not be invested so as to recover some interest.



B. SRINIVASA IYENGAR,
Assistant Comptroller and Officer in charge, Local Audit Dept.

GPB—12–23-7-15

Notes on the Audit of the Sidlaghatta Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—24th May 1915.

Date of Completion of Audit.—26th May 1915.

Period occupied (excepting holidays).—3 days in current audit against last audit 7 days.

Period	*Name of Vice-President.*
1-7-13 to 30-6-14	E. H. Thomson, Esq.

The last audit ended on 13th September 1913 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—Out of Rs. 100 sanctioned for the Municipality the cash on hand on 24th May 1915 was Rs. 16-8-0 and this agreed with the balance shewn in the Imprest Book. The difference of Rs. 83-8-0 was the expenditure incurred as noted below but pending recoupment.

		Rs.	a.	p.
2-3-10	Inoculation charges paid to Dr. Ramachendra Iyer ...	22	7	0
18-7-11	Advance to the Sanitary Inspector on account of cart-hire for well boring instruments.	8	7	0
14-9-11	Amount paid to recoup famine Imprest	30	0	0
7-13	Reward paid for killing snakes	0	4	0
8-13	Contingent	1	0	0
14-2-14	Reward paid for killing snakes	0	8	0
17-4-14	Do	0	4	0
29-6-14	Do	0	4	0
17-9-14	Do	0	4	0
12-10-14	Do	0	4	0
20-11-14	Do	0	4	0
27-11-14	Do	0	4	0
2-12-14	Do	0	4	0
12-11-14	Octroi contingent ...	0	8	0
23-12-14	Do	1	0	0
18-8-14	Purchase of tools and plant...	5	0	0
Do	Whitewashing Bar huts ...	5	0	0
10-10-14	Octroi contingent ...	1	8	0
28-10-14	Adjustment of Revenue Imprest	3	1	0
15-3-15	Cost of repairing latrine frames	3	1	0
	Total ...	83	8	0

PART I.—Action taken on the last Audit.

(1) The audit note and objection statement relating to the audit of the accounts for 1911-12 and 1912-13 were sent with replies to the Comptroller in Kolar District President's letter No. 2963-330, dated 10th November 1913.

(2) A list of outstanding objections has been prepared and attached to the note.

(3) The reference promised to be made to the President in the matter of remitting the notice fees due from certain defaulters of Municipal taxes was not made.

(4) The arrears of Municipal tax due on the Barr huts from 1909-10 to 1912-13 remained unadjusted as also the tax for the year 1913-14. No orders of Government were obtained for the writing off the irrecoverable tax of Rs. 9 due from Hevilambi, Vilambi and Vikari.

PART II.—Result of Current Audit.

1. The several objections noticed in current audit have been embodied in the objection statements attached to the note.

2. The financial condition of the Municipality was as under:—

	[illegible]	Debt head	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1-7-13.	2,[illegible] 8 8	7[illegible] 8 [illegible]	2,297 0 8
Receipts during 1913-14.	4,721 9 [illegible]	[illegible] 0 0	4,811 9 10
Total ...	3,[illegible] 2 [illegible]	1,[illegible] 8 [illegible]	7,108 10 6
Expenditure ...	4,653 11 5	213 13 10	4,867 9 1
Balance on 30. 6-14.	2,288 7 5	−47 5 10	2,241 1 5

3. *Pounds.*—(1) Impounding receipts from 1st July 1913 to 17th November 1913 were not produced for audit.

(2) Re. 1-0-0 has been objected to for recovery in item numbers 4 to 6 of the objection statement as a result of short collection of fines on 4 buffalo ಕರುಗಳು at 4 annas each instead of at 8 annas.

4. *Octroi.*—A number of instances wherein the amounts and quantities originally entered were subsequently altered to smaller amounts and quantities in the counterfoils of receipts were observed and Rs. 3-11-9 has been objected to for recovery as detailed in the objection item No. 2.

It is wise to make it a rule that no alterations or additions shall be made in a receipt form after once it has been made out. If any amendment is necessary the incorrect entry should be cancelled and a new receipt given. The object of this rule is obvious. If this rule is invariably adopted a loophole for fraud is closed, for alterations in receipts are always unsatisfactory, especially when the correction reduces the amount of the receipt. The additional labour involved in cancelling the incorrect receipt and writing a fresh one is worth taking.

(2) Only ten duplicate patties of cloth were available for check. What became of the other patties was not explained. Some of the patties did not bear any record of recovery of octroi and some had no date of recovery noted in them while the others did not bear signatures of the merchants. The patties in respect of which the credits of octroi recovered could not be traced for want of definite information are listed in statement No. 1 sent to the Vice-President for needful investigation.

5. *Mohatarfa.*—(1) The demand, collection and balance under this head for the year 1913-14 are given below:—

	Rs.	a.	p.
Arrears for 1-7-13 ...	... 347	10	1
Demand for 1913-14	... 2,900	5	11
Total	... 3,248	0	0
Collections ...	... 2,850	1	9
Balance ...	... 397	14	3

Of this Rs. 184-6-4 were collected up to date of audit, leaving a balance of Rs. 213-7-11 still outstanding.

(2) *Notice Register.*—Only 8 notices have been issued to the defaulters during 1913-14 and notice fees due thereon amounting to Rs. 2-4-0 have not been recovered though collection of mohatarfa tax was made after the issue of notices. *Vide* objection No. 7.

6. *General.*—(1) The revision of assessment as ordered in Government Order No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been effected.

B. SREENIVASA IYENGAR,

Assistant Comptroller & Officer in charge of Local Audit Department.

GPB—12—27-7-15

Note on the Audit of the Chikballapur Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—14th May 1915.

Date of Completion of Audit.—22nd May 1915.

Period occupied (excepting holidays and Sundays) 7 days in current audit against last audit 11 days.

Period.—Names of Vice-Presidents.

1-7-13 to 10-6-14 } S. N. Narasimha Sastri, Esq.

11-6-14 to 30-6-14 } C. Narainaswamy Chetty, Esq., (Non-official *Vice-President*)

The appointment of Mr. C. Narainaswamy Chetty, as Non-official Vice-President was sanctioned in G. O. No. 12159—Ml. 92-13-38, dated 3rd June 1914, and he assumed charge of the Vice-Presidentship on the 11th June 1914.

The last audit ended on 26th September 1913 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—Out of the imprest of Rs. 200 sanctioned for this municipality, the cash on hand on 14th May 1915 was Rs. 152-1-8 and agreed with the balance shown in the Imprest book. The difference of Rs. 47-14-4 was accounted for as follows :—

		Rs.	a.	p.
September and October 10, November 11 and September 12.	Inoculation charges (balance) ...	5	0	6
17th February 1914.	Reward for killing snakes ..	0	4	0
14th April 1914.	do ...	0	8	0
29th August 1914.	do ...	0	4	0
2nd September 1914.	do ...	0	4	0
23th do	do ...	0	4	0
16th January 1915.	do ...	0	2	0
21st do	do ...	0	2	0
14 h July 1914.	Reward of killing rabid dogs	0	4	0
October 1911.	Cart hire (balance)	6	15	0
16th July 1914	do	5	11	0
22nd August 1914.	Charges for putting up pulleys to Gurappa's well	10	12	0
15th September 1914.	Telegram charges ...	0	12	0
24th September 1914.	Octroi contingent ...	1	0	0
30th October 1914	do ...	1	0	0
18th November 1914	do ...	1	0	0
May 1912.	Well-boring expenses ...	18	11	10
	Total ...	47	14	4

PART I.—Action taken on the last Audit.

3. The Audit Note and Objection Statements relating to the audit of accounts for 1911-12 and 1912-13 were pending disposal in the Vice-President's Office and on examination of the Objection Statements showed that the column "Reply or explanation of the administrator of the Fund" in it was not filled up at all.

PART II.—Result of Current Audit.

4. (1) The objections, etc., noticed in audit have been embodied in the Objection Statements appended to this note.

(2) The following is the financial condition of the Municipality during 1913-14 :—

	Revenue Head	Debt Head	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	24,870 4 9	—8,867 13 10	16,002 6 11
Receipts during 1913-14.	12,352 11 7	784 1 2	13,136 12 9
Total ...	37,223 0 4	—8,083 12 8	29,139 3 8
Expenditure ...	7,825 14 2	1,082 0 8	8,907 14 10
Balance ...	29, 97 2 2	—9,165 13 4	20,231 4 10

5. *Octroi.*—(1) It was observed that in several counterfoil receipts the quantities or the amounts were found altered apparently with a view to keep back certain sums of money collected. The procedure of cancelling the receipts wherein the amendments are subsequently found necessary and issuing fresh ones in their stead was suggested in the last audit note.

(2) Several cases of short remittances of Octroi which were subsequently made good after lapse of many months have been detailed in Objection No. 4. Such short remittances could have been avoided if the Octroi accounts had been checked in the Municipal Office before each remittance as laid down in Rule 324, Municipal Account Manual.

(3) In some instances the discount allowed to importers of piece-goods was deducted from the gross amount of the patties and Octroi duty was recovered on the balance. Since Octroi is leviable on the value of goods at the place of import, the deduction of discount and other charges was not proper.

(4) Many duplicate patties were wanting and these should be searched for and kept ready for examination at the time of next audit. *Vide* Objection No. 6.

6. *Mohatarfa.*—(1) The demand, collection and balance during the period under audit were as under :—

	Arrears on 1st July 1913			Demand for 1913-14			Total			Collections			Balance on 30th June 1914		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Chikballapur Town ...	396	5	3	3,245	12	2	4,142	1	5	3,330	11	2	811	6	3
Vapsandra do ...	34	8	0	399	8	2	434	0	2	414	0	2	20	0	0
Ganganamidde do ...	24	0	0	247	4	6	271	4	6	253	4	6	18	0	0
Sidlaghatta do ...	61	4	0	693	4	0	759	8	0	664	10	0	94	14	0
Mushtoor do ...	1	0	0	74	0	0	75	0	0	68	8	0	6	8	0
Total ...	1,017	1	3	4,664	12	10	5,681	14	1	4,731	1	10	950	12	3

Of the balances outstanding on 30th June 1914 in respect of the several divisions of the Chikballapur town, the collections made up to the date of audit and the balance outstanding against each are given below :—

	Balance on 30th June 1914			Amounts recovered up to date of audit			Balance		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Chikballapur Town ...	811	6	3	198	1	6	613	4	9
Vapsandra	20	0	0	.....			20	0	0
Ganganamidde ...	18	0	0	5	8	0	12	8	0
Sidlaghatta	94	14	0	19	2	0	75	12	0
Mushtoor	6	8	0	1	8	0	5	0	0
Total ...	950	12	3	224	3	6	726	8	9

2. *Notice register.*—The further action taken on notices issued during 1913-14 was not noted in this register.

3. *Kamwi jasti register.*—The orders of the Vice-President were not obtained in three cases for the increase and decreases made in khatta of the Chikballapur town. *Vide* Objection No. 19.

4. In the course of the examination of the mohatarfa accounts with counterfoil receipts several corrections were observed to have been made in the receipts, both in figures and words. If any amendment is necessary the incorrect receipt should be cancelled and a fresh one issued in its stead. *Vide* Objection No. 15.

7. *Sale records.*—Certain sale records of grass, old materials, etc., were not available for check.

8. *Mutton stall account.*—Against the demand of Rs. 171 for the period under audit (as per auction list) only Rs. 142–4–0 were recovered and a balance of Rs. 28–12–0 remained to be recovered from the persons named below:—

		Rs.	a.	p.
No. 1	Stall. Bapu Sabi ...	6	12	0
5	Stall. Kasim Sabi ...	18	0	0
6	Stall. Lal Banth Kareem Sabi ...	4	0	0
	Total ...	28	12	0

9. *Deposit.*—Rs. 55–4–0 and 46–6–0 appearing under deposit in the office copies of accounts in the Vice-President's Office for the months of July and August 1913 were taken in the President's office to the revenue heads of accounts as given below:—

Rupees 50-0-0 security deposit tendered by the lighting contractor in July 1913 taken to lighting tax instead of to deposits.

Rupees 46-6-0. The credit of this amount was taken in the first instance to the Revenue Head of account when it appeared under deposit in the Vice-President's accounts as given below :—15 Rs. under taxes on buildings and lands, Rs. 2-12-0 under B. 1. & Rs. 28-10-0 under C. 2. but debited in the accounts for June 1914 to deposits.

Rupees 5-8-0. Debited to deposit instead of E. 2. A.

But when Rs. 5-4-0 (included in Rs. 55-4-0) and the second item of Rs. 46-6-0 were adjusted in the Vice-President's office to the debit of deposit and to the credit of the revenue heads concerned, the adjustment was accepted in the President's office in spite of the fact that these amounts had been taken to the Revenue Heads of account in the first instance with the result

that there were double credits to the Revenue Head concerned with incorrect debits to deposit.

Again, Rs. 5-8-0 the deduction made in the pay bill of the Municipal Establishment for July 1913 on account of Insurance premia towards the policies of the Sanitary Inspector and Octroi Daroga, was wrongly debited to deposit in August 1913 in the President's office instead to the Conservancy and Octroi Establishment. Thus the wrong debit to the extent of Rs. 57-2-0 in the above two instances and the omission to take credit under deposit in the accounts for July 1913 for the amount of Rs. 50 (the security deposit tendered by the lighting contractor and included in Rs. 55-4-0 mentioned above) by the President's office in the accounts transmitted by it to the Comptroller have wrongly reduced the deposit balance by Rs. 107-2-0. The correct balance is therefore Rs. 1548-12-0 as shown in the Vice-President's Office Deposit Register.

10. (1) *General.*—The revision of assessment ordered in Government Order No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been completed.

(2) Barr huts have not been brought under assessment.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer in charge of Local Audit Department.

GPB—12—30-7-15

Note on the Audit of the Accounts of the Malur Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—21st June 1915.

Date of Completion of Audit.—24th June 1915.

Period occupied (excepting holidays).—Three days in current audit against two days in last audit.

The last audit ended on 12th June 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 50 sanctioned for this Municipality, the cash on hand on 21st June 1915 was Rs. 29-4-0 and agreed with the imprest book balance. The difference of Rs. 20-12-0 was the expenditure incurred in June 1915.

(2) On 21st June 1915 the District Fund Imprest and petty cash book balances were Rs. 97-10-0 and Rs. 100-4-5 respectively and agreed with the book balances.

PART I.—Action taken on the Last Audit.

2. Most of the objections noted in the audit note and objection statements relating to the audit of 1911-12 and 1912-13 sent to the President in Comptroller's Letter No. 647—L. A. D. 62, dated 23rd July 1914 were explained in President's No. 2147, dated 27th May 1915.

The sum of Rs. 36-8-5 being the balance recoverable from the late Octroi Daroga Seenappa in respect of the irregularities committed by him in the matter of the collection and remittance of Octroi duty was recovered and credited on 18th January 1915. A statement of the minor items pending disposal at the time of audit is attached to this note.

PART II.—Result of the Current Audit.

3. The objections noticed in current audit are embodied in the objection statements appended to the note, and the important points are dealt with in the following paragraphs.

4. The financial condition of this Municipality during the period under audit was as follows :—

	Revenue Head			Public Debt			Balance		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Opening balance on 1st July 1913 ...	1,969	5	10	—29	1	4	1,949	4	6
Receipts ...	2,373	3	11	26	7	0	2,399	10	11
Total ...	4,342	9	9	6	5	8	4,348	15	5
Expenditure ...	1 801	0	6	178	4	9	1,979	5	3
Balance on 30th June 1914 ...	2,541	9	3	—171	15	1	2,369	10	2

5. *Octroi.*—In some instances discount was wrongly deducted from the gross value of the goods for assessment of Octroi and duty was collected only on the net value. This is not correct. (*Vide* objection No. 3).

6. *Mohatarfa.*—(1) The Demand, Collection and Balance under this head was as follows :—

	Rs. a. p.
Arrears on 1st July 1913 ...	57-2-8
Demand	1,762-3-3
Total	...1,819-5-11
Collection	...1,653-14-7
Balance ...	165-7-4

Of this balance Rs. 71-2-0 were collected till the date of audit, leaving a balance of Rs. 94-5-4 to be recovered.

(2) No notices were issued during 1913-14.

Deposit.—(1) Rupees 10-6-0, credited under Deposit in July 1913 was shown as adjusted in November 1913 in the Deposit register, but in the monthly account only the credit was taken without a corresponding debit.

The deposit balance has now to be reduced by this amount. (*Vide* objection No. 13.)

(2) Again, a sum of Rs. 24-11-0 credited to deposit in September 1913 in the Vice-President's office was credited to

to A (1) Octroi in the monthly accounts for that month in the President's office (included in Rs. 38-0-7 under Octroi).

When this amount was subsequently adjusted in October 1913 in the Vice-President's Office (by debit to deposit and credit to Octroi) the adjustment was accepted and again incorporated in the monthly accounts in the President's office. Consequently there has been a double credit to Octroi and the deposit balance should now be increased by a corresponding reduction in the revenue balance. (*Vide* objection No. 14.)

8. *General.*—(1) The revision of assessment as ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914 has not been given effect to.

(2) The corrections and adjustments made in the Comptroller's reviewed accounts and also in the President's office are not noted nor the opening and closing balances entered in the cash account maintained in this Municipality.

B. SRINIVASA IYENGAR.

Asst. Comptr., & Officer in charge of L. A. D

W D 167-GPB—12—25-8-15

Note on the Audit of the Accounts of the Bowringpet Municipality for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govinda Raju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Rao, B.A.

Date of Commencement of Audit.—14th June 1915.

Date of Completion of Audit.—19th June 1915.

Period Occupied.—(*excepting holidays*)—six days in current audit against five days in last audit.

The last audit ended on 17th June 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

1. *Check of Cash Balance.*—Out of the imprest of Rs. 100-0-0 sanctioned for this Municipality the cash on hand on 16th June 1915 was Rs. 92-4-0 which agreed with the imprest book balance.—The balance of Rs. 7-12-0 was the expenditure incurred from August 1914 and remaining to be recouped.

2. The cash on hand on 16th June 1915 as per District Fund petty cash book was Rs. 23-9-5 and agreed with the balance shown in that book.

PART I.—Action taken on the last Audit.

1. The note and objection statements relating to the audit of 1911-12 and 1912-13 sent to the President in Comptroller's No. 798—L. A. D. 89, dated 29th July 1914, were returned with replies in Nos. 23 and 2147, dated 8th July 1915 and 27th May 1915 respectively.

2. The system of granting receipts for handy collections from receipt books prescribed for octroi collections continued till the date of audit. It would be well to have separate receipt books for the purpose.

3. The suggestion to maintain a railway receipt and Invoice Register with the object of bringing the dutiable articles under better control has not received attention of the Municipal Board.

The defect regarding the maintenance of regular accounts to watch the prompt recoveries of monthly rents of butchers' stalls was not remedied. A miscellaneous demand register in form No. 48 should be immediately opened.

As will be seen from the following statement, there were very few items of recoveries made in respect of the outstandings of mohatarfa tax and market and slaughterhouse rents which have long been outstanding.

Particulars	Amount objected	Amount recovered	Balance remaining unrecovered
	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Market and slaughterhouse rents.	722 1 0	.....	722 1 0
2. Tax in barr huts	96 0 0	.....	96 0 0
3. Amounts due from persons on Government employ.	98 13 0	21 0 0	77 13 0
4. Amount due from Municipal Contractors ...	38 0 0	32 0 0	6 0 0 (Staff to be increased)
5. Butchers' stall rent ...	136 0 0	88 0 0	48 0 0

PART II.—RESULT OF THE CURRENT AUDIT.

1. The objections noticed in current audit are embodied in the objection statements attached to this note.

2. The financial condition of this Municipality during 1913-14 was as follows:—

	Revenue Head	Public Debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	13,311 0 6	57 14 6	13,368 14 6
Receipt during 1913-14.	10,550 14 3	276 10 0	10,827 8 3
Total ...	23,861 14 9	334 8 6	24,196 6 9
Expenditure ...	8,633 2 7	433 2 6	9,066 5 1
Balance ...	15,228 12 2	—168 10 6	15,120 1 8

3. *Octroi.*—Four duplicate patties as detailed in objection Statement 2 were not available for check

(2) In some instances discount was wrongly deducted from the gross value of the goods for assessment of octroi and duty

was collected only on the net value. The short collection of octroi in consequence amounted to Rs. 1-1-8 *Vide* objection item No. 3

(3) There was a difference of one pie between the details noted in counterfoil receipt Nos. 73 to 87, dated 2nd May 1914, and that remitted to the treasury.

Vide objection No. 4.

4. *Mohatarfa*—The demand, collection and balance under this head during the year under audit were as follows:—

		Rs.	a.	p.
Arrears on 1st July 1913	...	3,052	9	7
Demand for 1913-14	...	3,510	7	4
Total		6,563	0	11
Collection	...	3,657	2	5
Balance	...	2,905	14	6

Of this balance only Rs. 589-15-0 were collected in the current year up to the date of audit leaving a large balance of Rs. 2,315-15-6 for which no co-ercive steps were taken during 1913-14.

(5) There was a difference of Rs. 6 between the demand for 1913-14 as worked out from the sarkhar khate for 1912-13, *viz.*, Rs. 3,504-7-4 and the kulwar details of demand in the khate for 1913-14 which was Rs. 3,510-7-4. This difference Rs. 6 needs reconciliation.

6. *Imprest.*—From the remarks made in this book by the Treasury Assistant Commissioner on 31st December 1914 it was found that a sum of Rs. 63-12-6 was spent out of the Municipal Imprest to send specie remittances to Kolar, Bangalore and Malur Taluks during the months of October and November 1914, but neither the advance nor the recoupment was shown in the imprest account. Expenditure from the Municipal imprest for expenses unconnected with the Municipal Administration is objectionable and likewise the omission to show this transaction in the imprest book.

7. *Deposit Account.*—(1) The details for neither the opening balance on 1st July 1913, nor the closing balance on 30th June 1914, were entered in this Register.

(2) The balance under deposit on 30th June 1914, as per audited accounts for June 1914, was Rs. 276-6-0, while the accounts of the Vice-President's Office showed only a balance of Rs. 251-4-0. The details for the difference of Rs. 25-2-0 should be ascertained from the President's Office and the balance rectified

(2) A difference of Re. 1 in the opening balance under Public Debt in July 1913, between the Vice-President's accounts and the Comptroller's reviewed monthly accounts was also observed. This difference needs reconciliation in communication with the Comptroller.

8. *General.*—(1) In Government Order No. 8124—Ml. 67-14-4, dated 17th April 1915, Bowringpet town has been made a Regulation Municipality from 1st May 1915.

(2) The revision of assessment as ordered in Government Order No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been completed.

B. SRINIVASA IYENGAR,
Asst. Comptroller and Officer in charge of Local Audit Department.

W. D.—167—G I B—15—26-8-15

Note on the Audit of the Srinivaspur Municipal Accounts for 1913-14.

Name of Senior Auditor.—Mr. V. A. Govindaraju Mudaliar.

Name of Assistant Auditor.—Mr. T. S. Somanatha Row, B.A.

Date of Commencement of Audit.—4th June 1915.

Date of Completion of Audit.—5th June 1915.

Period occupied (excepting holidays) is 2 days in current audit against 3 days in last audit.

Period.	*Names of Vice-Presidents.*
1-7-13 to 26-9-13	C. Lakshman Rao, Esq., B.A., B.L.
27-9-13 to 30-6-14	P. Subba Rao, Esq., B.A., B.L.

—The last audit ended on 20th June 1914 and was for the period from 1st July 1911 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of the imprest of Rs. 50 sanctioned for this Municipality the cash on hand on 4th June 1915 was Rs. 17-6-0 and agreed with the imprest book balance. The difference of Rs. 32-10-0 was the expenditure incurred as under but not recouped :—

	Rs.	a.	p.
October 1913. Reward for killing snake ...	0	2	0
9th February 1915. Removing silt on fresh water well near Mulbagal road side ...	10	0	0
1st April 1915. Paid to Contractor Venkatnarasappa for digging a temporary well near Anjaneyaswamy temple ...	20	0	0
3rd May 1915. Reward for killing snakes ...	0	8	0
14th May 1915. Removing silt in musafirkhana well ...	1	12	0
17th May 1915. Reward for killing snakes ...	0	4	0
Total ...	32	10	0

PART I.—Action taken on the last Audit.

1. The audit note and objection statements relating to the audit of 1911-12 and 1912-13 received with President's No. 121, dated 12th August 1914, were pending disposal in the Vice-President's Office.

2. Such of the objectionable items as were not explained have been embodied in the objection statement appended to the note.

3. The collection of miras at the rate of one anna in the rupee has been discontinued since the date of last audit.

PART II.—Result of the Current Audit.

1. The objections noticed in audit are embodied in the objection statements attached to the note.

2. The financial condition of this Municipality for the period under audit was as under :—

	Revenue head	Debt head	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Opening balance on 1st July 1913.	—673 10 7	—36 11 0	—710 5 7
Receipts during 1913-14.	1,736 2 2	44 0 0	1,789 2 2
Total ...	1,062 7 7	7 5 0	1,069 12 7
Expenditure ...	1,192 10 8	171 0 0	1,363 10 8
Balance ...	—130 3 1	—163 11 0	—293 14 1

3. *Octroi.*—In this Municipality also as in several others, the discount, etc., allowed to importers of piece goods is deducted from the gross value of the goods and octroi is being recovered only on the balance. This is not correct.

4. *Mohatarfa.*—(1) The demand, collection and balance under this head were as under :—

	Rs. a. p.
Arrears on 1st July 1913 ...	... 395 15 10
Demand for 1913-14	... 1,407 1 0
Total	...1,803 0 10
Collections	...1,429 1 2
Balance on 30th June 1914	... 373 15 8

Of this Rs. 223-5-0 were collected in the current year with a balance of Rs. 150-10-8 outstanding on the date of audit.

(2) *Notice Register.*—Forty-six notices were observed to have been issued but no information was available in the notice register as to how many were served on the defaulters and what action was taken.

5. *Deposit.*—A difference of Rs. 1-15-0 was observed between the balance as per Vice-President's Office deposit register and the closing balance as per reviewed account for June 1914 and this difference is due to the fact that this amount appearing under deposit in the Vice-President's Office account was taken to the credit of the Revenue head concerned in the cash account for August 1913.

6. *General.*—(1) The revision of assessment ordered in G. O. No. 1872-9—Ml. 124-14-1, dated 19th August 1914, has not been given effect to.

(2) The correction and adjustments made in the Comptroller's reviewed accounts and also in the President's Office are not noted nor the opening and closing balances entered in the cash account maintained in this Municipality.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge,
Local Audit Department.

W D 167- GPB--12-2-9-15

Note on the Audit of the Accounts of the District Fund of Kolar (1913-14).

1. Name of Senior Auditor.—Mr. V. A. Govinda Raju Moodr.

2. Name of Assistant Auditor.—Mr. T. S. Somanatha Rao.

Date of commencement of Audit.—15th October 1914.

Date of completion of Audit.—4th November 1914.

Period occupied (excepting holidays) 17 days in current audit against 16 days in last audit.

Names of President and Vice-President who held office during the period of audit:—

Period. Name of President.

1-7-13 to 31-3-14—P. F. Bowring, Esq.

1-4-14 to 30-6-14—B. Ramaswamiah, Esq., B.A., B.L.

The last audit ended on 13th October 1913 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.

Out of the Imprest of Rs. 10 sanctioned for this office, the cash on hand on 15th October 1914 was Rs. 9-3-0 and agreed with the balance shown in the imprest book.

PART I.—*Action taken on the last audit.*

1. The audit notes and objection statements for 1911-12 and 1912-13 have not yet been returned with replies to the Comptroller.

2. As regards the objection statement for 1911-12, the column "replies of the administrator of the fund has not been filled in.

3. A statement of outstanding items of objections raised during the audit of 1911-12 and 1912-13 is appended to this audit note.

4. Out of sums of Rs. 49-8-2 and Rs. 39-8-4 objected to for recovery during the audits of 1911-12 and 1912-13 only Rs. 5-8-4 and Rs. 17-15-6 respectively, as noted in the margin were recovered in 1913-14 and with the exception of some payees' receipts and completion bills, the items in the objection statement are practically unanswered.

1911-12.	Rs.	a.	p.
Mulbagal			
39. Sep. 1911	1	7	2
Bowringpet			
35. May 1912	0	5	2
Goribidnur			
June 1912.	0	10	0
Do	3	2	0
1912-13.			
Bagepalli			
44. December 1912	2	0	0
Chintamani			
23. Sep. 1912	15	0	0
Malur			
12. October 1912	0	2	0
90. March 1913	0	8	3
10. March 1913	0	4	6
Sidlaghatta			
37. June 1913	0	0	9

5. The short recovery of contribution of Rs. 11-4-0 from Municipal and Plague funds pointed out in page 10 of the objection statement remained unadjusted at the time of audit.

6. The difference of 4 annas between the credit as per treasury pass book and the monthly accounts was not adjusted. (*Vide* page 38 of last audit objection statement.)

PART II.—*Result of current audit.*

1. The several objections noticed in audit are embodied in the objection statements attached to the note.

2. The books and registers examined were the same as in previous years.

3. *Cash book.*—Challans were wanting in support of the credits in the cash book in some instances and some of the taluks did not send the challans at all. (*Vide* objection item No. 21.

4. There were items of receipts not entered in the cash book though the totals struck were found to include them and book adjustments made in the President's Office were not incorporated in the cash book. (*Vide* objection items Nos. 22 to 24, 27, 28 and 30.)

5. The totals struck in the cash book on the receipt side were found to be invariably in pencil and the signature of the President was found wanting at the end of the transactions for some months. (*Vide* objection item No. 25.)

6. The several items objected to for recovery and amounting to Rs. 53-7-8 have been excerpted and noted in the statement No. 4 attached to the note. Of these Rs. 14-3-6 relates to excess and irregular payments under establishment, Rs. 17-8-0 under contingencies and Rs. 21-12-2 under Public Works charges.

Rs. 14-3-6 under establishment includes an item of Rs. 13-3-10, the privilege leave allowance of one H. Rudrappa paid from District Funds when the same was a proper charge on the general revenues under Articles 423A, M. S. R. *Vide* objection item No. 7.

7. Payments were not supported in a great many instances by receipts from the payees. Attention is invited to this recurring defect observed in the two last audits for taking necessary steps to avoid any further objections of this kind.

8. Amounts claimed in the bill for refund of pound commission and feeding charges differ in several instances from those actually distributed to the parties entitled. This defect is apparently due in some case to the corrections made in the bill in the President's Office not having been intimated to the Vice-President when sending the cheque to him. *Vide* objection items Nos. 15, 43 and 44.

9. Rs. 30-8-0 being the total amount of cheques Nos. 396 and 147, dated 30th June 1913 and 21st January 1914, cancelled in May 1914 were adjusted in that month in the President's Office by affording credit on the receipt side and included in Rs. 55-0-9 under D (19)—other items. Again, in June 1914 an adjustment of the same amount was intimated from the Comptroller's Office which was also incorporated in the accounts in the President's Office. Thus there has been a double adjustment of Rs. 30-8-0 and consequenlty an increase in the closing balance by that amount. This double adjustment needs rectification. *Vide* objection item No. 82.

10. Short recoveries to the extent of Rs. 42 from Plague and Rs. 21 from Municipal Funds on account of the pay and allowances of Sanitary Inspectors of the frontier taluks, were observed during audit. They require early adjustment. *Vide* objection item No. 81.

11. Budget provision was exceeded in some cases and no reappropriations have been made to remedy the excess. *Vide* objection item No. 50.

12. Rs. 53-6-9 being the sale proceeds of articles purchased for the opening ceremony of Bowringpet-Kolar Railway were not credited into the Treasury but utilised for incurring expenditure. As a special advance had been sanctioned for the purpose, this action was irregular. *Vide* Article 1 of the Civil Account Code. *Vide* objection item No. 80 (*a*).

12. *P. W. Charges.*—The measurement books of the taluks noted in the margin were not available for check. In the books examined there were unattested corrections in the details of measurements recorded, and omission to note the deduction of doorway and windows in calculating the area chunamplastered in the work of improving the Local Fund musafirkhana at Narsapur, Malur Taluk. *Vide* objection item No. 76.

Malbagal
Chikballapur
Malbagal
Bowringpet

Completion bills were wanting in the case of many completed works nevertheless the full amount due without any deduction on account of reserve being made, were paid in such cases. *Vide* objection item Nos. 52, 57, 58, 59 and 60 and 68, etc.

It has been found that in several instances payments of bills have been made by merely obtaining extracts from the measurement books in support of the measurements entered in them. This is irregular; the books in which the measurements are originally recorded should invariably accompany the bills. There is no objection however to the utilisation of as many measurement books as are necessary so that the original books may be sent by the Vice-Presidents with the records to the President.

Debt Heads.

13. *Deposit.*—The register of deposits was found defective inasmuch as some repayments of deposits were not noted in it and an item of Rs. 5-8-0 credited to deposit in the accounts for June 1914 did not find place in the Deposit Register. *Vide* objection item No. 79.

The details outstanding on 30th June 1914 work up to Rs. 831-13-9 against Rs. 760-6-9 shown as balance in the plus and mines memo of the accounts for June 1914. This difference of Rs. 71-7-0 should be adjusted by raising the deficit balance and reducing the Revenue balance in communication with the Comptroller.

14. *Advances recoverable.*—Amount of Rs. 12–0–0 advanced to the travellers' bungalow establishment at Srinivaspur for erection of plague sheds was debited to D(4) travellers' bungalow establishment. *Vide* objection items Nos. 1 and 51 but the recoveries were credited to advances recoverable. The debit to service head and credit to a debt head incorrectly reduced the balance under advances by Rs. 12. Similarly Rs. 20 advanced to District Sanitary Officer for cholera charges

in June 1912 and debited to plague and cholera charges in the accounts of that month recovered from him in January 1914 were credited to advances recoverable.

Then again as per details found in the President's Office the amount outstanding under advances recoverable was on 1st January 1914, Rs. 1,055 against 1,060 mentioned in Comptroller's docket No. 7502—L. A. D. 1000, dated 22nd May 1914. This difference of Rs. 5 also should be adjusted in communication with the Comptroller.

15. The accounts of the District Funds were found to have been passed by the Finance Committee on the following dates :—

Date.	Name of President who passed.	Month and accounts passed.
16-12-13	A. Mrityunjaya Iyer, Esq., B.A.	July to Sept. 1913.
21-3-14	Do do	Oct. and Dec. 1913.
27-4-14	B. C. Krishnasastri, Esq., B.A.	Jan. and Feb. 1914.
20-6-14	A. Mrityunjaya Iyer, Esq., B.A.	March and April 1914.

Assistant Comptroller
and Officer in charge of
the Local Audit Dept.

No. 1—Statement of debt head transactions with opening and closing balances.

The balance on 1st July 1913 was worked out from the figures given in the Comptroller's No. 7502 L. A. D. 1000, dated 22nd May 1914, as forming the balance on 1st January 1914.

	Revenue and expenditure	Deposits	Loans	Advances	Import	Investment	Net public debt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1913	66,622 10 9	(*a*) 655 11 0	3,90,300 0 0	(*b*) 5 0 0	680 0 0	2,90,317 10 2	99,953 0 10	1,66,575 11 7
Receipts during 1913-14	(*d*)1,06,752 8 10	758 14 1	.....	(*c*) 232 0 0	.....	.....	990 14 1	1,07,743 6 11
Total	1,73,375 3 7	1,411 9 1	3,90,300 0 0	237 0 0	680 0 0	2,90,317 10 2	1,00,943 14 11	2,74,319 2 6
Debits during 1913-14	(*e*)4,18,984 9 8	654 2 4	.....	(*f*)2,230 10 3	.....	.....	2,884 12 7	4,21,869 6 8
Balance on 30th June 1914	2,45,609 6 1	760 0 9	3,90,300 0 0	2,003 10 3	680 0 0	2,90,317 10 2	98,059 2 4	1,47,550 3 9

Details for the Imprest.

	Rs. a. p.
President's office	10 0 0
Assistant Veterinary Inspector	5 0 0
Kolar Taluk Board ...	60 0 0
Sidlaghatta	55 0 0
Malur	50 0 0
Srinivaspur ..	50 0 0
9. Unions Mailti, Lakkur, Narasapur, Vakkaleri, Doranakanpalya, Huduyur, Idagar at Rs. 50 each ...	450 0 0
Total ...	680 0 0

(*a*) Amount outstanding under deposit was shown to be Rs. 727-2-0 in the statement attached to the last audit note

(*b*) The balance under Advances was given as nil in the statement attached to the last audit note.

(*c*) } Rupees 100 wrongly credited in the President's office to "D 17" cattle show in May 1914 was taken to the credit of "Advances Recoverable" and hence
(*d*) } the alterations (*c*) & (*d*). *Vide* item No. 51 of objection statement.

(*e*) } Rupees 100 and 12 rightly debitable to "Advances recoverable" was wrongly debited to D'8 and D'4 respectively and hence the alterations
(*f*) }

NOTE. (*c*) Includes a sum of Rs. 20 credited to Advances recoverable in January 1914 but original debit of this amount to this head could not be traced. *Vide* Comptroller's No. 3104 L. A. D. 333, dated 24th October 1914 on the subject pending reply in the President's office.

No. 2—Reconciliation statement of Receipts, District Funds, Kolar, for 1913-14

Months	Credit in monthly accounts	Deduct		Total deductions	Net	Credit in pass book	Remarks
		Book adjustments	Credits by transfer				
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
July 1913	1,625 3 1	64 10 0	.....	64 10 0	1,560 9 1	1,560 9 1	
August 1913	1,350 2 1	38 0 0	.....	38 0 0	1,312 2 1	1,312 2 1	
September 1913	1,125 2 3	4 8 0	.....	4 8 0	1,120 10 3	1,120 10 3	
October 1913	1,063 6 4	29 6 0	.....	29 6 0	1,034 0 4	1,034 0 4	
November 1913	6,475 15 1	52 4 0	5,100 8 0	5,152 12 0	1,323 3 1	1,323 3 1	
December ,, ...	1,043 3 10	24 0 0	.....	24 0 0	1,019 3 10	1,018 13 5	Difference of Re. 0-6-5 to be explained.
January 1914	1,025 8 4	7 0 0	.....	101 10 3	923 14 1	923 14 1	
		94 10 3					
February 1914	56,122 7 8	105 12 0	.....	105 12 0	56,016 11 8	56,016 11 8	
March 1914	11,763 1 5	63 3 9	.....	63 3 9	11,699 13 8	11,699 13 8	
April 1914	6,836 0 3	21 12 0	6 13 6	28 9 6	6,807 6 9	6,807 6 9	
May 1914	12,505 14 7	66 7 11	5,100 8 0 +0 0 1	5,167 0 0	7,338 14 7	7,338 14 5	Do 0-0-2 do.
June 1914	6,807 6 0	67 12 5	(a) 30 8 0 —0 0 1	98 4 4	6,709 1 8	6,709 1 8	(a)-This amount represents the adjustment intimated by the Comptroller's office though the same was adjusted in the President's office in May 1914.
Total ...	1,07,743 6 11	.....	.....	.....	.....	.....	
Opening balance	1,66,575 11 7	.....	.....	.....	.....	.....	
Grand Total ...	2,74,319 2 6	.....	.....	.....	.....	.....	

No. 3—Reconciliation Statement of Debit, District Funds, Kolar, for 1913-14.

Months	Debits in monthly account	Deduct: Book adjustment	Deduct: Debits by Comptroller	Deduct: Uncashed cheques	Total deduction	Net debit	Add previous months' cheques cashed	Total	Debits in pass book	Remarks
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	
July 1913	4,416 12 2	64 10 0	854 4 5	26 0 0	944 14 5	3,471 13 9	3,816 0 2	7,287 13 11	7,286 13 11	Difference of Rs. 2 needs adjustment.
August 1913 ...	8,893 11 6	38 0 0	566 10 7 1 5 10	853 5 0	1,457 15 7 1 5 10	6,865 11 11 1 5 10	2,334 7 0	9,200 2 11 −1 5 10	9,198 13 1	
September 1913	3,875 6 9	4 8 0	291 4 11	321 11 9	617 8 8	3,257 14 1	5,008 10 5	8,266 8 6	8,266 8 6	
October 1913 ...	15,843 9 4	51 4 7	4,148 7 2		4,199 11 9	11,643 13 7	207 9 6	11,851 7 1	11,851 7 1	
November 1913	1,85,040 2 0	52 4 0	1,78,396 11 8	409 13 8	1 78,858 13 4	6,181 4 8		6,181 4 8	6 181 4 8	
December 1913	79,877 2 6	24 0 0	72,300 2 6	154 8 7	72,478 11 1	7 398 7 5	409 13 8	7,808 5 1	7,808 5 1	
January 1914 ...	28,893 7 6	7 0 0	21,402 5 0	2,798 3 4	24,202 8 4	4,690 15 2	154 8 7	4,845 7 9	4,845 7 9	
February 1914	23,942 14 0	105 12 0	17,290 9 4	805 1 11	17,701 7 3	6,241 6 9	2,594 11 4	7,836 2 1	7,836 2 1	
March 1914	16,614 11 9	61 3 9	9,066 12 5	583 4 8	9,710 1 10	6,904 6 11	176 9 11	7,381 0 10	7,381 0 10	
April 1914	12,250 6 10	21 12 0	6,713 14 6	335 8 8	6,090 3 2	6,160 3 8	448 5 6	6,608 9 2	6,608 9 2	
May 1914 ...	13,634 10 4	35 15 11	7,353 8 6	360 10 0	7,750 2 5	5,884 7 11	423 3 2	6,307 11 1	6,307 11 1	
June 1914 ...	30,156 7 7	67 12 5	684 1 10 4,721 0 0	11,271 12 5	12,023 10 8 4,721 0 0	18,132 12 11 +4,721 0 0	393 6 8	18,526 3 7 +4,721 0 0	23,248 9 5	The Comptroller's debit of Rs. 1-5-10 was noted in the pass book and hence the differences.
Total ...	4,21,869 6 8	.....	.....	.....	.....	.....	.....	.....	.....	
Closing balance ...	−1,47,550 3 9	.....	.....	.....	.....	.....	.....	.....	.....	
Grand Total ...	2,74,319 2 6	.....	.....	.....	.....	.....	.....	.....	.....	

No. 4.—Amounts objected to for recovery.

Voucher number and month	Particulars	Amount
		Rs. a. p
No. 1 for July 1913 ...	Joining time allowance paid in excess to Suryanarayana Rao.	0 5 4
,, 47 for September 1913	Railway demmurrage charges.	1 6 0
,, 71 & 73 for Nov. 1913	Inadmissible horse allowance paid to Sanitary Inspector.	0 10 4
,, 52 for February 1914	Inadmissible privilege leave allowance.	13 3 10
,, 159 for June 1914 ...	Error in calculation ...	0 10 0
,, 166 do ...	Excess payment	5 10 0
,, 200 do	Do ...	11 2 0
,, 112 do ...	Do ...	0 8 10
,, 179 do ...	Do ...	0 12 11
,, 156 do	Do ...	3 0 5
,, 206 do ...	Inadmissible charges...	16 2 0
	Total ...	53 7 8

No. 5.—Kolar District Funds.

Statement of cheques, issued and cashed during 1913-14

Months	Issued	Cashed	Balance
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Balance on 1st July 1913.	10,277 4 7	.....	.....
July 1913 ...	932 7 6	4,722 7 8	6,487 4 5
August 1913 ...	2,728 9 7	4,209 11 7	5,006 2 5
September 1913 ...	1,780 5 0	6,467 3 8	319 3 9
October 1913 ...	3,905 12 1	4,113 5 7	111 10 3
November 1913 ...	1,746 15 1	1,337 1 5	521 7 11
December 1913 ...	2,527 0 0	2,782 5 1	266 2 10
January 1914 ...	4,871 3 6	2,232 8 9	2,810 3 4*
February 1914 ...	2,178 5 6	4,467 14 11	520 9 11
March 1914 ...	4,258 1 8	4,152 6 11	626 4 8
April 1914 ...	2,485 8 9	2,598 5 7	513 7 10
May 1914 ...	2,464 0 4	2,526 9 6	420 6 8†
June 1914 ...	19,967 4 3	9,088 14 6	11,298 12 5
Balance ...	.....	11,298 12 5	.....
Total ...	60,122 13 10	59,997 11 7	.....
Add amount of cheques cancelled.	.....	125 2 3	.....
Grand Total ...	60,122 13 10	60,122 13 10	.....

* Cheques for Rs. 94-10-3, cancelled in January 1914.

† Cheques for Rs. 30-8-0, cancelled in May 1914.

GPB—12—25-2-15.

Audit Note of the Accounts of the undermentioned Municipalities, kept in the Deputy Commissioner's Office, Mysore District, for 1913-14.

Non-regulation Municipalities.

1. Yedatore.
2. Heggaddevankote.
3. Gundlupet.
4. Periyapatna.
5. Krishnarajpete.
6. Nagamangala.
7. French Rocks.
8. Saligram.
9. Talkad.

Regulation Municipality.

10. Malvalli.

Chief Auditor.—Mr. A. Narasimhamurti.

Assistant Auditor.—M. K. Krishnaswami Iyengar, (up to 5th February 1915).

Date of Commencement of Audit.—2nd January 1915.

Date of Completion of Audit.—13th February 1915.

Period occupied exclusive of holidays and Sundays.—35 days.

President.—A. Subrahmanya Iyer, Esq., B.A.

PART I.

Action taken on the last Audit.

Action to be yet taken in respect of objections raised during previous audits is briefly summarised below:—

(1) Rupees 120 being the grant-in-aid payable to the Wesleyan Mission English School at Nanjangud for the year 1911-12 was drawn from the treasury and charged by it to Municipal Funds in the list of payments and the Deputy Commisioner also paid the amount by a Municipal cheque drawn in favor of the Treasury Officer for credit to General Revenues. The double debit thus raised against the Municipal Funds has not yet been remedied.

(2) The contribution of Rs. 5,000 sanctioned in Government Orders Nos. 8001-4—Ml. 355-10-9 and 8334-5—Ml. 119-12-3 of the 30th and 19th April 1913, from General Revenues to the Seringapatam Municipality for clearing undergrowth,

levelling dilapidated areas, etc., has not yet been credited to Municipal Funds. The matter is stated to be under correspondence with Government.

(3) A consolidated bill including all the charges, aggregating Rs. 91-14-4, spent in connection with the Vairamudi Jatra at Melkote in March 1912 has not been obtained, and the difference between this amount and Rs. 100 paid by cheque No. 20–825 of 27th March 1912, issued for the purpose has not been adjusted.

(4) The following pages of the previous objection statements for 1911-12, stated to have been sent by the Deputy Commissioner's office to the Presidents or Vice-Presidents of the Municipalities concerned for necessary action were not produced, though called for.

Statement Nos.	Pages.
I	4, 9 to 12 and 14 to 18
II	24 and 25
V	1, 12, and 14

(5) Differences of Rs. 28 and 125 between the accounts of Vice-Presidents of Malvalli and Hunsur Municipalities and those of the Deputy Commissioner on the receipt side for January 1913, under House Tax and Miscellaneous, respectively, have not been explained.

(6) Difference between the details in the bill (voucher No. 63 for January 1913) of the Nanjangud Municipality, which work up to Rs. 31-12-11 and the total of Rs. 31-12-1 entered, is not explained. Amount paid is Rs. 32-12-1. This also requires explanation.

(7) Difference of annas 4 between Rs. 22-12-0, as per contingent bill (voucher No. 106 for June 1913) of Malvalli and Rs. 22-8-0, for which receipts have been furnished, has not been explained.

(8) Statements I, II and III accompanying show amounts objected to for recovery, but not yet recovered; sanction of Government required, but not yet obtained, and payees' receipts called for but not yet received.

(9) Objection statements and audit notes on the accounts for 1910-11 were not traceable and the objections still outstanding therein cannot be made out.

(10) No steps have yet been taken to reconcile differences pointed out in the last audit note regarding deposit balances and to adjust the amounts under advances recoverable.

PART II.

Result of Current Audit.

2. The Sub-Divisional Assistant Commissioners of Nanjangud, French Rocks and Mysore Sub-Divisions having been authorised to pass the bills and issue cheques on behalf of the Regulation Municipalities of Nanjangud, Chamrajnagar, Bannur , T.-Narsipur, Mandya, Melkote, Maddur, Seringapatam and Hunsur in their Sub-Divisions, the result of audit of the examination of bills and accounts of only the non-Regulation Municipalities in the District and of one Regulation Municipality of Malvalli, of which the Deputy Commissioner is the President, is entered in this note.

3. The books and accounts examined were the same as in the previous audit, but the Deposit Register which is not maintained on the ground that one is maintained in the offices of Vice-Presidents. The duplication of work may be avoided, if it is ensured that the Deposit Register of the Vice-Presidents is a complete and accurate record, that postings in it are regularly made and that extracts showing in detail the opening balances, receipts, payments and balances of deposits are sent monthly to the President's office, that the balances shown in the extract are verified with the accounts shown in the plus and minus memo of public debt balances attached to the monthly accounts.

4. A statement of receipts, expenditure and balances of the several non-Regulation Municipalities and of Malvalli for the year 1913-14 is appended, *vide* Statement No. IV.

5. Irregularities noticed in the course of audit are embodied in the accompanying objection statements Nos. 1 to 5 and 7 to 11 prepared separately for each Municipality and important defects are briefly alluded to hereunder.

(1) Excess payments amounting to Rs. 10-15-2 as follows :—

Establishments—French Rocks Re. 0-0-4.

Contingencies—Malvalli Rs. 6-4-0.

Public Works.—

Nagamangala—Rs. 3-0-0.

French Rocks—Rs. 1-10-10 -- 4-10-10.

Total Rs. 10-15-2.

(2) Want of a bill for Rs. 31-1-2 of the Gundlupet Municipality.

(3) Want of 88 payees' receipts for

sums amounting to Rs. 3,789-13-7 as detailed below :—

			Rs.	a.	p.
Heggaddevankote	...	5 for	39	9	5
French Rocks	...	2	25	0	0
Yedatore	...	11	242	3	7
Gundlupet	...	11	486	6	9
Krishnarajapete	...	9	124	15	1
Malvalli (including 2 money order commission receipts for Rs. 1-9-0).	...	15	1,108	5	4
Saligram		20	1,384	8	3
Nagamangala		15	378	13	2
Total	...	88for	3,789	13	7

(4) Want of 4 completion bills.

French Rocks	...	1
Krishnarajpete	...	1
Nagamangala	...	2
Total	...	4

III

(5) Amount of cheque No. 54—21 issued in October 13 in lieu of that No. 72—70 of 30th May 1913 for Rs. 69-4-9 on account of mohatarfa commission of the Nagamangala Municipality for 1910-11 was again charged in the accounts for October 1913.

IV

(6) Rupees 115 being mohatarfa commission for 1909-10 of the Malvalli Municipality for which cheque No. 51—118, dated 30th June 1914, was issued were omitted to be charged in the accounts for June 1914. The cheque was cashed on the 10th August 1914 in the Malvalli Taluk Treasury.

(7) Details by sub-heads of Public Works bills paid during 1913-14 for incomplete works of previous years were not entered in the register of measurements for 1913-14.

(8) Three works of the French Rocks Municipality noted in the register of measurements as sanctioned are not traceable in the monthly lists of sanctions.

(9) Plus and minus memo of Deposits for the several Municipalities for June 1914 was not prepared, though there were transactions under the head in the month, nor were the opening and closing balances entered in the memos for other months of the year 1913-14.

6. *Establishment.*—Substantive appointment and pay of men holding officiating appointments on Municipal establishments, as well as full information regarding the exact nature of absence of Municipal employees are not generally given, *e.g.*, *vide* item Nos. 1 and 2 of objection

statement No. 2. Permanent transfers of members from and to Municipalities should be noted as such. The information as to whether all transfers from other funds under the Deputy Commissioner to the Municipalities were communicated to the Comptroller should also be noted. Except when a permanent member of the establishment is either on duty in that establishment or transferred from it permanently, his name should appear in the list of absentees with particulars of absence duly noted therein as per instructions printed on the form. Absentee list should be prepared for all absentees as defined in Article 4 of the Mysore Service Regulations.

7. *Contingencies.*—Payments for contingencies were in some cases made either in excess of budget provision or when there was no such provision to cover the expenditure, *e.g.*, *vide* item 3 in objection statement No. 4, *vide* items Nos. 3, 4 and 5 of objection statement No. 2.

Number of lights and rate at which the lighting charges are paid are not noted in the bills, *e.g.*, *vide* item No. 6 (2) of objection statememt No. 2.

8. Local Fund clerks, and sometimes Octroi mutsaddis have given receipts for payments made for the purchase of articles, *e.g.*, *vide* item No. 8. in objection statement No. 2. This is irregular. Receipts should be obtained from the payee from whom the articles were purchased or obtained.

9. In respect of contingent bill No. 14 for September 1913 and 17 for October 1913 of Gundlupet Municipality on account of mohatarfa and octroi commission for 1913-14 only one stamped voucher was obtained from two payees, the Shanbhog and Patel, for payments to them of more than Rs. 20 each, *vide* items Nos. 1 and 2 of objection statement No. 4. This is incorrect. Two stamped vouchers should be obtained in each case.

10. *Public Works.*—There were considerable lapses in the several Municipalities under this head as noted below :—

	Grant	Outlay
Yedatore ...	1,600	316
Heggaddevankote	50	...
Gundlupet ...	2,740	31
Talkad ...	1,275	...
Krishnarajpete	685	...
French Rocks	2,280	997

Neither a register of measurement books nor a schedule of rates as required by Rule 251 of the Municipal Account

Manual is kept. These should be maintained at once.

The nomenclatures of estimates sanctioned were, in some cases, defective inasmuch as they did not specify the particular locality wherein the road or drain, as the case may be, was to be repaired, *e. g.*, *vide* item No. 8 in objection statement No. 1.

Some deviations from sanctioned estimates have been allowed without competent sanction, *e. g.*, *vide* item No 10 of objection statement No. 2.

11. *Public Debt.*—The totals of opening balances of all non-Regulation Municipalities and of Malvalli under this head for 1913-14 as per previous audit note and those as per Comptroller's accounts are given in statement No. V. Steps should be taken to reconcile these figures and necessary adjustments effected early.

12. *Advances.*—Balances outstanding under this head should be soon adjusted, *vide* statement V.

13. *Deposits.*—A statement No. VI shewing the difference between deposit balances as on 30th June 1913 as per previous audit note and those for which details were available on that date is also attached. The discrepancies in the deposit accounts of Heggaddevankote, Periapatna, Nagamangala and French Rocks should be explained and necessary adjustments effected early.

14. *Excesses over Budget Grant.*—The following excesses over the grants made in the budget require sanction of Government. Attention is invited in this connection to Rules 23 and 24 of the Municipal Account Manual.

	Major Head	Grant	Outlay
Heggaddevankote ...	A	114	186
Gundlupet ...	A	347	509

15. *Accounts.*—The misclassifications of expenditure observed during audit have been duly pointed out to the office for note and correct compilation of accounts in future.

Repayment of deposits on account of net sale proceeds of cattle were found to have been wrongly debited to refunds under service heads in the accounts of the Gundlupet Municipality for January and June 1914, *vide* item No. 8 in objection statement No. 4. These require early adjustment.

B. SRINIVASA IYENGAR,
Officer in charge, L. A. D.

Audit Note of the Municipal Accounts of the undermentioned Regulation Municipalities, kept in the French Rocks Sub-Division Office, for 1913-14.

(1) Mandya.
(2) Melkote.
(3) Maddur.
(4) Seringapatam.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—1st April 1915.

Date of Completion of Audit.—5th April 1915.

Period occupied.—5 days.

This is the first time that the accounts kept in the Sub-Division Office were audited locally. Objection raised during previous audits in respect of the accounts of these Municipalities kept in the Sub-Division Office, and still outstanding, have been incorporated in the audit note of the Municipal accounts for 1913-14 kept in the Deputy Commissioner's Office, Mysore District.

2. Books and accounts kept in the Sub-Division Office are the same as those kept in the Deputy Commissioner's office and audited previously.

3. A statement showing the financial condition of the Municipalities during 1913-14 is attached.

4. Irregularities noticed in the course of the audit are embodied in the accompanying objection statements. The most important of them are summarised below:—

(1) Overpayment of Rs. 21-11-6 as follows:—

	Rs.	a.	p
(a) Establishment	21	11	4
(b) Contingencies	0	0	2
Total ...	21	11	6

(2) Want of 5 payees' receipts for Rs. 640-3-2.

(3) Want of sanction of Government for employing temporarily two peons at Rs. 5 each per mensem from January to May 1914, in the Seringapatam municipality.

Establishment.

5. The chief defect noticed in the establishment bills audited is the absence of information as regards the permanent pay of acting incumbents, the nature of vacancies, etc. *Vide* item No. 1 in objection statement No. 4. Absence of these particulars precludes the possibility of an effective check being exercised over the payment of acting allowances. These particulars should be furnished in the absentee list which should be attached to pay bills in all cases of absentees as defined in Article 4 of the Mysore Service Regulations.

6. A sweeper's pay for 12 days during which he was stated to have been absent was drawn and paid resulting in an overpayment of Re. 0-5-6.

7. Full pay of appointments was disbursed in 2 cases to persons appointed to officiate in the appointments, instead of their pay and acting allowances only as per rules. This involved an overpayment of Rs. 21-5-10, *vide* items Nos. 4 to 8 in objection statement No. 4.

Contingencies.

8. In the contractors' bills for lighting charges, the number of lamps and the number of days on which they are lit in the month, is not stated, *vide* item No. 1 in statement No. 1, 2 in statement No. 2, 1 in statement No. 3 and 10 in statement No. 4.

9. An overpayment of Re. 0-0-2 was observed under lighting charges of the Seringapatam Municipality in the accounts for March 1914. The error was detected by the Sub-Division office and the excess payment was recovered in April 1914 and credited to Municipal Funds in the accounts for the month.

Public Works.

10. Incomplete works of previous year were not noted in the Register of measurements for 1913-14, and payments made during the year in respect of such works were not also posted in the register, *vide* item No. 5 in objection statement No. 2.

Public Debt
Deposits.

11. Closing balances of 1912-13 at credit of the deposit accounts were not brought forward to the Deposit Register maintained in the Sub-Division Office.

The undermentioned differences between the closing balances of 1912-13 as per accounts and those as per details observed during the last audit have not yet been reconciled.

	As per accounts.			As per details			Difference		
Maddur	...			...			...		
Mandya	22	8	0	22	8	0	...		
Melkote	74	2	3	74	14	9	0	12	6
Seringapatam	400	6	7	484	14	7	84	8	0

Advances.

12. The marginally noted amounts outstand as closing balances of 1913-14 at debit of this account, and yet no register of advances has been kept. The details of these amounts are not also forthcoming. A register should at once be opened, and the necessary details traced and entered therein. Steps should also be taken to adjust the advances without further delay.

Maddur	...		
Mandya	35	0	0
Melkote	23	1	8
Seringapatam	40	0	0

B. SRINIVASA IYENGAR,

Asst. Compr. and Officer in charge,
Local Audit Department.

Note on the Audit of the Accounts of the Municipality of Talkad for the year 1913-14.

Name of Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement and of Completion of Audit.—14th and 18th February 1915, the audit of the account of this Municipality having been conducted along with those of Tirumakudlu-Narsipur and Bannur Municipalities.

The last audit ended on 25th May 1914 and was for the official year 1912-13.

Check of Cash Balance.—The cash balance on hand, *viz.*, Rs. 38-12-0, was examined on the 17th February and the balance of imprest, *viz.*, Rs. 11-4-0, incurred on 1st December 1908 for payment of cart hire for articles bought for City Municipality, Mysore, was pending recoupment.

PART I.—Action taken on the Last Audit.

The audit notes and objection statements relating to the years 1910-11, 1911-12 and 1912-13 were pending disposal in the Vice-President's Office, Tirumakudlu-Narsipur.

Such of the old objectionable items as require early action are embodied in Statement No. 1 attached to this note.

PART II.—Result of Current Audit.

The several objections noticed in current audit are detailed in the objection statement herewith attached.

A sum of annas 6 being the short collection and short remittance under pounds should be recovered and credited to Treasury.

2. The accounts of this Municipality for 1913-14 were as follows:—

	Opening balance	Receipts	Expenditure	Closing balance
	Rs. a. p	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue	3,660 0 5	1,674 2 4	1,035 14 1	4,298 4 8
Public Debt	50 0 0	...	...	50 0 0
Total ...	3,610 0 5	1,674 2 4	1,035 14 1	4,248 4 8

The Talkad Municipality has a fairly large balance at its credit and it is a point for the consideration of the council why a suitable amount should not be invested.

Mohatarfa.—The arrears, demand, collection and balance under this head for 1913 were as under :—

	Rs.	a.	p.	Rs.	a.	p.
Arrears ...	1,213	6	5			
Demand ...	1,427	1	7	2,640	8	0
Collection ...	1,611	2	8			
Balance ...	1,029	5	4			

There was no improvement since last audit in regard to the collection of the heavy arrears.

Notices were not issued promptly in all cases of arrears, nor were further coercive measures taken in the cases in which notices were duly served. Some of the cases in which no notice was issued are entered in Statement No. 2.

As observed in the previous audit note, notices were in several cases issued for amounts varying from that really recoverable from the party, and this defect was evidently due to the notices written by the shanbhog not having been carefully examined by the Local Fund clerk before getting them signed by the Vice-President *vide* objection Statement Nos. 3, 4 and 5.

4. *Deposits.*—As detailed in the objection Statements Nos. 1 and 6 under pounds, a sum of Rs. 1 was not recovered in respect of impounding receipt No. 19 of 14th April 1914, and annas 5 being the amount of short remittance in May 1914 should be recovered and credited to Treasury.

5. *General.*—There were no deposit outstanding at the end of June 1914.

The cash book of the Municipality was not maintained in the form prescribed in rule 352 of the Municipal Account Manual nor was the closing balance worked out and agreed with the Treasury pass book balance. Needful instructions were issued to the office clerk regarding the correct preparation of the cash book and monthly accounts and the verification of municipal and deposit balance.

Assistant Comptroller
and Officer in charge
of Local Audit Department.

GPB—15—10-5-15

Audit Note of the Accounts of the Melkote Municipality Mysore District, for 1913-14

This is a Regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswamiengar.

Date of Commencement of Audit.—29th March 1915.

Date of Completion of Audit.—30th March 1915.

Period occupied (excepting holidays).—Two days against 3 in the previous audit.

The last audit ended on 23rd March 1914 and was for the period from 1st July 1911 to 30th June 1913, and the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The cash balance of imprest with the Vice-President was examined on the 8th April 1914 and found to be Rs. 1-13-0 only, which agreed with the balance shewn in the imprest account. This amount formed a portion of Rs. 191-0-10 being the aggregate of imprests found on the above date with the Deputy Amildar, French Rocks. The amount of the Municipal imprest is Rs. 50. The difference of Rs. 48-3-0 being the amount spent out of the impresnt during 1910-11 remained unrecouped.

PART I.—Action taken on the Last Audit.

No action has yet been taken in respect of the short recovery and remittance amounting to Re. 0-10-0 on account of cattle fines.

PART II.—Result of Current Audit.

2. Irregularities observed in the course of audit were duly objected to in the appended objection statement. There was a short recovery and remittance of cattle fines amounting to Rs. 2-2-0.

8. *Deposits.*—Opening balance under this head on 1st July 1914 was Rs. 74-2-3. Receipts and repayments amounted to Rs. 95-8-3 and Rs. 108-1-0 respectively during 1913-14, resulting in a balance of Rs. 61-9-6 on the 1st July 1914. The balance according to the Vice-President's books was Rs. 39-6-0. This difference of Rs. 22-3-6 was noticed in the previous audit also.

Assistant Comptroller.

GPB—12—22-5-15

Note on the Audit of the Accounts of the Municipality of T.-Narsipur for the year 1913-14

Name of Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement and of Completion of Audit.—14th to 18th February 1915 along with the audit of the accounts of Talkad and Bannur Municipalities. The last audit ended on 1st June 1914 and was for the period from 1st July 1911 to 30th June 1913.

Check of Cash Balance.—The cash on hand in the imprest box in the Treasury was Rs. 53-13-3. Against the imprest of Rs. 50, Rs. 5-2-0 consisting of Rs. 4-14-0 incurred on account of cart hire in conveying exhibition articles on 24th September 1909 and 0-4-0 paid as reward for killing snakes on 6th January 1915, remained to be recouped. A sum of Rs. 8-15-3 being the unexpended balance of cheque No. 92-10, dated 10—24th November 1914, payable to a lighting contractor was in the imprest box, included in the above sum of Rs. 53-13-3.

PART I.—Action taken on previous Audit.

The audit notes and objection statements of the year 1910-11 and 1911-12 and 1912-13 were lying undisposed of in the taluk office. It is requested that immediate action will be taken to return them with note of the action taken in respect of the objections pointed out in audit.

Such of the objections raised in previous audits as require further action are embodied in a statement attached to this note (No. 1).

	Rs. a. p.	Rs. a. p.
The amounts recoverable under Octroi *viz.*	4 1 9 +1 11 2	5 12 11
Mohatarfa *viz.*	0 8 0 4 0 0	4 8 0
Pounds	.....	4 0 0

PART II.—Current Audit.

1. The objections noticed in current audit are embodied in the appended objection statement (No. 2).

2. The following summary shows the financial condition of the Municipality :—

Particulars	Opening balance	Receipts	Total
1	2	3	4
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal revenue.	1,668 12 3	2,318 1 1	3,986 14 6
Public debt ...	—62 10 10	148 0 0	85 5 2
Total ...	1,606 2 7	2,166 1 1	4,072 3 8

Particulars	Disbursement	Closing balance
	5	6
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	1,523 7 3	2,453 7 3
Public debt ...	144 0 0	—58 10 10
Total ...	1,677 7 3	2,394 12 5

3. *Octroi*.—The system of collecting octroi in this Municipality leaves much to be desired. There is no ookad, nor is there any official solely deputed for this work. The Local Fund clerk of the taluk office who has to look after the office work connected with the three Municipalities of T.-Narsipur, Bannur and Talkad and the local fund work of the taluk is entrusted with the work of realizing octroi collections and remitting them to the treasury. It is highly irregular to entrust the work of revenue collection and compilation of accounts to one and the same official and the practice should be immediately changed.

In the meeting of 18th March 1914, the Municipal Council resolved to have a manegar on Rs. 8 for this work but the post has not yet been sanctioned.

As octroi duty is levied not merely on piece-goods, the collection of duty on which is made in the taluk office, but also on sugar and tobacco which can be easily and without fear of detection smuggled into the town, it is quite necessary that the taluk local fund clerk, whose legitimate duties are heavy, should be relieved of octroi collection work. As there may not be sufficient work for one official if solely deputed for octroi collections, it is suggested in lieu of the arrangement of collection of mohatarfa through the hereditary Patel and Shanbhog that a whole time mohatarfa collector may be appointed and

he may be entrusted with the duty of watching the import of octroi dutiable articles and collection of duty thereon and a suitable security may be obtained from him.

4. As observed in previous audits there were several alterations made in counterfoil receipts, apparently made with a view to remit amounts less than those actually collected. The several alterations noticed are entered as items 2 to 7 and 9 of statement No. 2 and the sum of Re. 0-15-0 involved in them should be recovered and credited to Municipal funds.

5. *Mohatarfa.*—The accounts of this Municipality for 1913-14 stood as follows:—

Arrears	....	1,473	0	2
Demand	....	1,295	11	10
Total .	....	2,768	12	0
Collection	....	955	2	8
Balance	....	1,813	9	4

for which babwar details are given in Statement A. As pointed out in the last audit note, the arrears are accumulating being 1,473-0-2 and much scope for misappropriating amounts collected by the Shanbhog is thus afforded. No action has yet been taken in making necessary investigation and bringing to book the party at fault in regard to the several items of misappropriation of amounts collected, pointed out in the last audit note.

Very effective steps should immediately be taken for the collection of all arrears by issuing notices invariably in all cases and by taking further coercive measures necessary.

6. No register of sites was maintained it was therefore not possible to find out if all the sites sold and taken possession of by private parties were brought in the assessment list.

No revision of house tax was effected as directed in Government Order No. 1892-9—Ml. 124-14-1, dated 19th August 1914.

No Miscellaneous Demand Register was maintained as required in Rule 237 of the Municipal Account Manual.

The sum of Rs. 15 being the value of manure sold to one Nanjundiah on 1st June 1914 had not been recovered from him till the close of audit.

7. *Pounds.*—The several alterations made to the pound accounts involving a

loss of 0-6-0 to the Municipality should be recovered.

8. *Deposits.*—The deposit accounts of the Municipality for 1913-14 were as follows:—

		Rs.	a.	p.
Opening balance	...	....		
Receipts ...	...	148	0	0
Total	...	148	0	0
Repayments	...	144	0	0
Balances	...	4	0	0

9. *General Remarks.*—On examining the Treasury Pass Book it was found that entries in it up to December 1914 had been made by the Local Fund clerk. This was opposed to Rule 4, Municipal Account Manual. The entries in the Treasury Pass Book should serve as an effective check on the correctness of the entries in the general or Municipal Cash Book, and the monthly closing balances as per departmental accounts and the Treasury should be carefully verified and the differences should be reconciled. Detailed instructions on this point as well as regarding the verification of the deposit and public debt balances were given to the Local Fund clerk during the course of audit.

A sum of Rs. 12-10-10 outstanding under other items, public debt, requires to be traced in communication with the Comptroller.

10. The distinction between the General Cash Book and Petty Cash Book was also clearly explained during the current audit.

As at present maintained, the details of disbursements were not regularly noted in the Petty Cash Book nor were the opening and closing daily balances entered. Cheques when cashed were fully charged off in the book even though balances of such cheques remained on hand pending disbursement, for instance, a sum of Rs. 8-15-3 that remained undisbursed out of Rs. 23-12-3 drawn on Cheque No. 92-16 on 10—24th November 1914 on account of lighting charges for T.-Narsipur was not noted in the Petty Cash Book as balance on hand. This had, however, been shown in the Imprest Cash Book though that was not the proper place for it.

The above defective procedure was observed in respect of the accounts of money drawn on District Fund Cheques also. And this led to an excess payment of Re. 1 made to one Rangasamudra Boregowda on 1st August 1914, as per receipt No. 31 of that date, not being discovered till it was pointed out in audit.

This sum of Re. 1 should be recovered and the balance of undisbursed amount on 17th February 1915 raised from Rs. 65-7-6 to 66-7-6.

Assistant Comptroller and Officer
in Charge of Local Audit Dept.

Note on the audit of the Accounts of the Municipality of Seringapatam.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Asst. Auditor.—M. K. Krishnaswamiengar.

Date of Commencement of audit.—9th April 1915.

Date of Completion of audit.—17th April 1915.

Period occupied.—Nine days.

The last audit ended on the 13th March 1914 and was for the period from 1st July 1911 to 30th June 1913 and the present audit covered the official year 1913-14.

2. (i) *Check of Cash Balance.*—The Imprest and other cash on hand with the Vice-President were examined by the Assistant Comptroller, L. A. D., on the 2nd July 1915 and found to be Rs. 109-8-4 made up of Rs. 87-4-10 and Rs. 22-3-6 being the balance of imprest amount and the amount as per petty cash book respectively. These amounts agreed with the figures shown in the books.

(ii) Out of the Municipal imprest of Rs. 250 allowed to the Vice-President, a sum of Rs. 67-14-0 incurred on various accounts from 26th August 1899 to 27th August 1909 as pointed out in item No. 4 A of the objection statement for 1911-12 and 1912-13 remained still unrecouped.

(iii) The excess of annas four, in the imprest balance as pointed out in para 12 of the audit note for 1911-12 and 1912-13, was not refunded to Treasury to the credit of Municipal Funds as suggested therein.

(iv) A sum of Rs. 42-14-6 drawn as follows on account of District Fund Establishment remained undisbursed on the 2nd July 1915.

	Rs.	a.	p.
Pay for October 1914 ...	16	0	0
Pay for December 1914 ...	2	14	6
Pay for March 1915 ...	24	0	0

This is irregular. Undisbursed pay should invariably be refunded by short drawal in the next pay bill, there being

no objection to redraw the amounts when required on supplemental bills.

3. (i) *Action taken on last audit.*— The audit notes, for 1911-12 and 1912-13 sent by the Comptroller with No. 66, dated 23rd July 1914, were not returned with replies in spite of repeated reminders.

(ii) There is practically no improvement in the accounts of this Municipality since last audit.

(iii) The several important objections raised and remarks made in the previous audit notes were unattended to. And the system of local audit has had little beneficial effect in this Municipality in as much as no earnest attempts appear to have been made in giving due attention to the objections, suggestions and remarks of the local audit department (*vide* Rule 14, M. A. M).

(iv) Arrears under mohatarfa have been increasing as noted below. Up to end of 1914-15, they amounted to nearly Rs. 14,000 or three times the annual demand. No effective steps appear to have been taken for collection of tax under this head (*vide* item No. 1 in objection statement No. 1). Only 247 notices were issued up to May 1915 to bill collectors for service and 15 warrants were given to the Sanitary Inspector for execution. In the Administration Report of the Municipalities in the Mysore District for 1913-14, it was observed that the collection of mohatarfa in this Municipality was unsatisfactory. No assessment list has yet been prepared. Under the Municipal Council, Resolution No. 11 of the 9th January 1915, it should at least have been prepared by January 1915. But no action has yet been taken in that direction.

		Rs.	a.	p.
At end of 1911-12	...	10,922	15	5
„ 1912-13	...	11,701	6	1
„ 1913-14	...	13,435	0	9
„ 1914-15	...	13,982	5	1

(Excluding miscellaneous items.)

The system of collection of tax in two instalments in July and January of each year was not given effect to even during 1914-15. Collections amounting to Rs. 371-10-8 made previously by mutsaddies who are not now in service and who are either dead or whose whereabouts are not known, and not remitted to Treasury were recommended for remission.

A sum of Rs. 11-4-0 collected in March 1914, November and December

1907 by Mutsaddies, Tirumal Rao and Krishnappa from Chenroygowda, Kempegowda and Pandit Puttanna as per receipts produced by them was not remitted to Treasury *vide* clauses 1 and 3, para 8 of the last audit note. And it was stated in reply that the receipts having been very recently produced, and the mutsaddies that gave them having been dead, the amounts will have to be brought on the remission statement.

But the remission statements for writing off taxes amounting to Rs. 3,192-9-9 once sent to Government for sanction and received back for further scrutiny and report as stated in the last audit note remained undisposed of. No action was taken by the two Committees appointed to scrutinise the statements, nor was any separate Committee of Councillors appointed in their stead. As arrears have been allowed to accumulate for a series of years and as misappropriations by bill collectors of amounts received from the taxpayers have been a thing of common occurrence in this Municipality, the present owners of properties, who are liable to pay only the demands of recent years naturally hesitate to pay freely the taxes due by them.

It was not explained why taxes due from Municipal Councillors and Government officials as pointed out in last audit note were not promptly and fully recovered nor why arrears outstanding against private individuals for nearly 24 years were not written off under proper sanction.

The difference of Rs. 1,220-8-9 noticed in the last audit note between the arrears as per bakipatty and that as shown in the Demand, Collection and Balance Statement was not reconciled. The railway station premises used as residences which were promised to be assessed after the bye-laws were sanctioned, have not yet been taxed, though the bye-laws were sanctioned in August 1914. The arrears of house tax of Paschimvahini Union which were outstanding at the time when it was converted into a Municipality and included within the limits of Seringapatam were not brought on the Municipal Khate.

(v) The system of collection of Octroi has not been improved. The undesirability of allowing the out-post manegars to recover duty on all articles except cloth irrespective of any limit, was pointed out during previous audits. But the

Municipal Council have however authorized in their Resolution No. 5 of the 30th March 1915, the continuance of the practice on the ground that sufficient security has been obtained from the Head Manegar and Ookad Mutsaddies.

The objection raised has not at all been met by the Municipal Council. The taking of security will not in any way lessen the opportunity for peculation by low paid subordinates of the Octroi Department, so long as they are allowed to recover duty on articles without limit. The Octroi bye-laws sanctioned in August 1914 make no special reference to this unusual practice adopted in this Municipality. Even in the cities of Mysore and Bangalore, the Mutsaddies at the out-post Ookads, except at the Railway Station, are not empowered to collect duty when the amount recoverable exceeds 8 annas. In the interests of Octroi revenue, it is very necessary that some such wholesome rule should be adopted in this Municipality also, if it is not considered expedient to have all articles subject to duty pass through the Head-Katte as in Shimoga. The subject is sufficiently important to deserve the reconsideration of the council (*Vide* also Rule 104 of the Municipal Accounts Manual).

(vi) In regard to the suggestion made in the last audit notes regarding the appointment of a wholetime pound-keeper in lieu of the two Conservancy Daffedars now placed in charge of the pounds at Seringapatam and Ganjam, the Municipal Council, in their Resolution No. 7 of the 24th October 1914, expressed the opinion that, as the employment of a wholetime servant will involve extra cost, the Conservancy Daffedars should be continued to work as pound keepers on payment of commission under Cattle Trespass Act. A sum of Rs. 30 has accordingly been provided in the budget for 1915-16 for payment of commission. But the payment of commission to the Daffedars in addition to pay requires the special sanction of Government.

(vii) The audit notes for 1911-12 and 1912-13 returned to the President by the Vice-President in his No. 120 of the 11th September 1914, with replies was pending disposal in the Deputy Commissioner's office.

(viii) A statement of objectionable items of the previous audit that were not disposed of is appended to this note as statement No. I items 1 to 11 which

involve the non-recovery of Octroi duty amounting to Rs. 4-1-0 (*Vide* items 7 and 8).

PART II.—RESULT OF CURRENT AUDIT.

4. The following summary shows the financial condition of the Municipality during the year 1913-14.

Particulars	Opening balance	Receipts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal revenue ...	3,423 12 9	10,574 11 7	13,998 8 4
Public debt ...	153 2 7	118 0 6	271 3 1
Total ...	3,576 15 4	10,692 12 1	14,269 11 5

Particulars	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	10,785 12 5	3,212 11 11
Public debt	140 7 9	130 11 4
Total ...	10,926 4 2	3,343 7 3

5. The several objections noticed in current audit which are more or less recurring year after year are embodied in the objection statements Nos. 2 to 5 hereto attached.

6. *Octroi.*—Out of 10 hands working in the Octroi Department, only the head manegar and 4 manegars have furnished security. No security has yet been taken from the peons though they have been allowed to collect duty and pass receipts over their signature. It is explained that the peons collect duty only when the manegars are absent from kattes for meals. The subject of recovering security from the peons was promised to be placed before the council for decision, and this does not appear to have yet been done.

Original entries of Octroi duty in the counterfoil receipts were found altered resulting in all in a short remittance of Re. 0-6-3. Dates of collection and kattes were in several instances not correctly shown in the Head Manegar's book. *Vide* items 1 to 6 in objection statement No. 2.

7. *Mohatarfa.*—The mohatarfa accounts in this Municipality continue to be in a very unsatisfactory condition.

There was no kammi jasty for 1914-15. The jamabandi for 1914-15 was not made up to 2nd July 1915 and khate for the year was not also written up. Taking

the demand for 1913-14 as that for 1914-15 also for purposes of account, the Demand Collection and Balance of the Municipality for the two years 1913-14 and 1914-15 were as follows:—

	Rs.	a.	p.
Balance on 1st July 1913 ... ... (Excluding miscellaneous items).	11,659	3	9
Demand for 1913-14	4,670	4	0
Do 1914-15	4,630	4	0
Total ...	20,919	11	9
Collection during 1913-14	2,806	9	4
Do 1914-15	4,049	13	4
Total Collection ...	6,937	6	8
Balance on 1st July 1915	13,982	5	1

The yearwar and babwar details are given below—

Yearwar Details.

	Rs.	a.	p.
1914-15	2,777	2	0
1913-14	1,390	14	8
1912-13	1,274	14	8
Previous arrears ...	8,339	5	9
Total ...	13,982	5	1

Babwar Details.

	Rs.	a.	p.
House tax	4,284	1	3
Vacant site tax ...	2,938	13	6
Shop tax	4,073	6	9
Loom tax	27	3	0
Oil mill tax	113	0	10
Cart tax	545	11	9
Total ...	13,982	5	1

8. Original entries of collection were altered in the receipts in some instances involving a short remittance of Rs. 1-8-0 and notices were found issued for less than the amounts actually due as per khate, *vide* items 2, 6, 8 to 13 and 39 in objection statement No. 3.

9. As necessary bye-laws have been sanctioned for the levy of vehicle and animal tax under the Municipal Regulation and as a separate Demand Register has been prescribed under the Municipal Account Manual, for animal and vehicle taxes, the same need not hereafter be shown in the mohaturfa accounts. Register in Form No. 53 or 12, according as the council may decide, may be immediately obtained and opened from the commencement of this year.

10. *Pounds.*—Cattle admitted as per receipts were not regularly entered in the Pound register. Original entries in receipts were altered in a number of instances apparently to withhold a portion of the collections. In some cases, entries of

cattle were altered into the young ones of their species. Fine was not recovered in some instances on the cattle impounded. These irregularities involved a short remittance of Rs. 2-12-0 *vide* objection statement No. 4. Records connected with the sale of two cattle sold in July 1913 were not produced for audit, *vide* item No. 5 in objection statement No. 5.

11. *Deposit.*—The Taluk office accounts showed a balance of Rs. 474-5-7 as on the 1st July 1913 at the credit of the Municipality, while the balance as per President's accounts on that date was Rs. 400-6-7. The cause of the difference of Rs. 73-15-0 should be traced, and the necessary reconciliation effected early. The receipts and expenditure under deposits during 1913-14 being respectively Rs. 118-0-6 and Rs. 140-7-9, the balance as per President's accounts on 1st July 1914 was Rs. 377-15-4. It was pointed out in the last audit note that a considerable portion of the outstanding deposits consisted of either the net sale proceeds of stray cattle which should have been adjusted after three months or other sale proceeds of miscellaneous items or the deposit amounts tendered by contractors as advance khists. No action for the reduction of the items under deposits was however taken.

12. *Site value accounts.*—A short recovery of Rs. 1-6-3 was noticed in connection with the recovery of value of site, *vide* item No. 12 in objection statement No. 1.

13. *Miscellaneous.*—Counterfoil receipt books for disbursements made from 19th July 1913 to the 17th February 1914 were not produced for audit, *vide* item No. 1 in objection statement No. 5.

14. *Service Books.*—Books were not opened for some officials. Some books were in manuscript, and others were practically blank. Entries made were not attested in some cases. Note of suspension of Venkatanarasimhachar, Octroi Manegar, from 14th November 1913 to 13th February 1914 was omitted to be made in his service book. *Vide* items 2 to 4 in objection statement No. 5.

It was pointed out during last audit that Head Manegar had not insured his life in the State, though his substantive pay was Rs. 10. No steps appear to have yet been taken to remedy this irregularity.

15. *General remarks.*—(i) *Cash book.* The several irregularities noticed in

connection with the maintenance of this important record during the last audit continued up to end of June 1915 unremedied.

(ii) It was found that several important forms and registers prescribed by the Municipal Account Manual, *e.g.*, cash book, Form 98, animal and vehicle demand register Form 53 and 12 had not been supplied by the President's office.

(iii) The Treasury Pass Book was not maintained. The Municipal revenue and public debt balances were not shown either in cash book or the monthly accounts, and no reconciliation was effected between the Treasury and Municipal figures.

(iv) Instructions were issued by the Assistant Comptroller Mr. B. Srinivasa Iyengar during his visit of inspection in July 1915 for the correct preparation of the cash book, the monthly accounts, the deposit register and receipt and expenditure ledgers and the verification of pass book and cash book balances and it is hoped that all the important registers prescribed in the Municipal Account Manual will be brought into use at a very early date.

B. SRINIVASA IYENGAR,
Assistant Comptroller,
Local Audit Department.

W D. 241—GPB—15—9-1-15.

Note on the Audit of the Accounts of the Hunsur Municipality for 1913-14.

Name of Chief Auditor.—Mr. A. Narasimhamurthi.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—27th April 1915.

Date of Completion of Audit.—1st May 1915.

Period occupied.—Five days.

The last audit ended on 6th July 1914 and was for the period from 1st July 1911 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.

2. The cash on hand with the Vice-President was examined on 30th April 1915 and found to be Rs. 139-13-0 as detailed below :—

		Rs.	as.	p.
1.	Imprest balance of the Hunsur Municipality ...	45	8	0
2.	Imprest balance of the Periyapatna Municipality ...	45	8	0
3.	Bhand advance ...	30	0	0
4.	Maramat imprest ...	1	13	0
5.	Revenue permanent advance ..	17	0	0
	Total ...	139	13	0

3. The imprest cash on hand agreed with the book balance and the undermentioned amounts, spent out of imprest, remained unrecouped and the matter is stated to be under correspondence.

		Rs.	a.	p.
21-10-13	Advance to Naranappa, bill collector ...	20	0	0
30-3-14	do ...	15	0	0
11-7-14	do ...	15	0	0
4-4-13	Advance to Thathachar, Assistant Sanitary Inspector for cleaning water-supply filter bed	4	4	0
20-4-15	Reward to snake killer...	0	4	0
	Total ...	54	8	0

PART I.—Action taken on the Last Audit.

4. The several objections noticed in previous audits that remained undisposed of are embodied in Statement No. 1.

PART II.—Result of Current Audit.

5. The various objections noticed during the audit are embodied in the objection statements Nos. 2 to 4 hereto attached involving a loss of Rs. 15-8-1 as detailed below :—

		Rs. a. p.
(*a*) Octroi	... ...	5 13 1
(*b*) Pounds	... ...	9 11 0
	Total ..	15 8 1

6. The financial condition of the Municipality during the period under audit, *i.e.*, 1913-14 stood as follows :—

Particulars	Opening balance	Receipts	Total	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	2,842 7 0	6,672 7 0	9,514 14 0	4,901 14 3	4,600 15 7
Public Debt ...	5,584 15 2	336 5 6	5,921 4 8	930 0 6	4,991 4 2
Total ..	8,427 0 2	7,008 12 6	15,436 2 8	4,834 14 11	10,701 8 9

Octroi.

7. The following were the chief irregularities noted in the octroi accounts :—

(1) Counterfoil receipt book of cloth for the period from 1st July 1913 to 17th July 1913 was not produced for audit.

(2) Duplicate invoices of goods valued at Rs. 4,932-3-1, were also not produced for examination (*vide* item No. 10 of Statement No. 2).

(3) The original entries of quantity of articles and duty thereon were altered in some cases apparently with the object of withholding a certain portion of the collections resulting in a loss of Re. 0-9-6 (*vide* objection items Nos. 2, 3 and 6 of Statement No. 2).

(4) A sum of annas five actually collected was omitted to be brought into the octroi register and remitted to the Treasury (*vide* objection items Nos. 1 and 7 of Statement No. 2).

(5) No endorsement was made on invoices, dated 22nd August 1913 and 22nd February 1914 for Rs. 106-6-0 and Rs. 113-3-1 respectively regarding the recovery of octroi duty. Neither counterfoil receipt for recovery of duty nor entry in the octroi register (cloth) was traceable. The loss of duty, in the two cases, *viz.*, Rs. 4-14-7 has been objected to for recovery in objection items Nos. 4 and 5 of Statement No. 2.

(6) Receipts were not invariably issued for the amounts of octroi duty collected (*vide* item No. 9 of Statement No. 2).

(7) Octroi collections were not remitted daily, as suggested in the previous audit note.

8. *Mohatarfa.*—The demand, collection and balance under this head for 1913-14 were as follows :—

		Rs.	a.	p.
Arrears	... ...	2,640	15	10
Demand	... ...	2,461	6	0
	Total ...	5,102	5	10
Collection	... ...	2,632	10	8
Balance	... ...	2,469	11	2

The arrears are equal to a year's demand and energetic steps are necessary for their recovery.

The number of kammi jasti order was not quoted in khathe in support of the additions or deductions made to the demand in khathe.

Whenever the reduction of crat-tax was proposed and ordered on account of the sale of cart from one individual to another, the particulars of the purchaser of cart were not mentioned in the Kammi Jasti Register to guard against the latter escaping taxation.

Notice was issued for less than the amount actually due from Khatedar (*vide* objection item No. 5 of Statement No. 3).

Nearly 142 notices written during September, October and December 1914,

were not signed and issued till the date of audit. Immediate steps may kindly be taken to have all the notices served against kathedars.

9. *Pounds.*—The pound accounts abounded in a number of irregularities and the defects requiring rectification are as follows :—

(1) The number and the kind of cattle shown in the cattle pound register differ from those mentioned in the impounding receipt.

(*Vide* objection items Nos. 9, 12, 13, 18, 21, 1, 3, 6, 20 and 32 of Statement No. 4.)

The loss sustained by not showing, the actual number of cattle impounded, into the pound register was Rs. 1-5-0 which has been duly objected to for recovery.

(2) The original entries of cattle were altered into their young ones apparently with a view to keep back a certain portion of the collections, the total loss sustained in this way being Rs. 3-6-0.

(*Vide* objection items Nos. 10, 11, 14, 15, 16 and 17 of Statement No. 4.)

(3) The dates of impounding and releasing of cattle noted in the pound register do not tally with those mentioned in the respective receipts.

(*Vide* items Nos. 19, 23 and 37 of Statement No. 4.)

(4) Impounding receipts were not invariably issued to the persons impounding cattle.

(*Vide* Nos. 2, 4, 5, 7, 8 of Statement No. 4.)

(5) Fine on different kinds of cattle was levied less than the prescribed amount due as per Cattle Trespass Act, resulting in a loss of Rs. 5-0-0.

(*Vide* objection items Nos. 26A, 28, 29, 30, 31, 33, 34, 40 and 41 of Statement No. 4.)

(6) Releasing receipt was issued for less than the amount collected.

(*Vide* item No. 24 of Statement No. 4.)

(7) Some cattle was shown in different releasing receipts as released on different dates.

(*Vide* items Nos. 37 and 39 of Statement No. 4.)

(8) Releasing receipts were not issued in chronological order.

(*Vide* item No. 25 of Statement No. 4.)

(9) Releasing receipts were not invariably issued to the releasers of cattle.

(*Vide* objection items Nos. 26, 27 and 36 of Statement No. 4.)

(10) Collection of feeding charges was not brought to the Pound Register but withheld by the pound keeper instead of claiming them separately on bills.

(*Vide* item No. 35 of Statement No. 4.)

(11) In the Pound Register for May 14, 56 cattle of different kinds were shown as released and the amount collected and remitted was Rs. 14-12-0, but releasing receipts were issued for only 51 animals with a collection of only Rs. 13-2-0.

(*Vide* objection item No. 38 of Statement No. 4.)

The above serious irregularities would have been noticed by the Municipal clerk if he had examined the Pound Register in the impounding and releasing receipts before the collections were remitted to the Treasury. The total loss of Rs. 9-11-0 under this head would have also been avoided.

10. *Deposits.*—The deposit accounts of this Municipality for 1913-14 were as follows :—

		Rs.	a.	p.
Opening balance	...	578	1	0
Receipts ..	...	336	5	6
Total	...	914	6	6
Repayments	...	430	0	6
Balance	...	484	6	0

But the balance on 1st July 1914 as per Vice-President's accounts was only Rs. 173-2-0 the difference of Rs. 311-4-0 being due to the amount of adjustments made in the Taluk accounts for June 1911 not having been brought on President's accounts.

11. *General Remarks.*—No security was taken both from the octroi manager and acting shanbhog.

Service books were not opened for three kolkars.

Rates of octroi duty sanctioned as per Appendix X, p. 36, of the administration report of the Municipalities in the Mysore District for 1913-14 are Re. 0-4-0 per maund of ghee and one anna per head of sheep and goats, while duty was actually recovered at the rates of Re. 0-4-0 per tin of ghee and Re. 0-0-6 per head of sheep and goats. A tin contains generally not less

than a maund and a half of ghee and is, as such liable to an octroi duty of 6 annas. Actual realisation during 1913-14 being Rs. 77 on ghee and Rs. 187-6-6 on goats and sheep, the loss which the Municipality has sustained in the year on this account is Rs. 38-8-0 in the former case and Rs. 187-6-6 in the latter or Rs. 225-14-6 in the aggregate.

The authority under which the lower rates were in force was not pointed out. The loss sustained by the Municipality will have to be made good by the persons responsible.

B. SREENIVASA IYENGAR,
Assistant Comptroller.

W.D. 118—(1)—11-2-15

Note on the Audit of the Accounts of the Saligram Municipality.

This is a non-regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—19th April 1915.

Date of Completion of Audit.—22nd April 1915.

Period occupied.—Four days.

The last audit ended on the 30th June 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit was for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—No imprest is allowed to the Vice-President of the Municipality.

PART I.—Action taken on the last Audit.

3. The audit note and objection statement for 1911-12 and 1912-13 remained undisposed of in the Vice-President's office. Unremedied objections are detailed as items 1 and 2 in the accompanying objection statements. There has been a non-recovery of annas 7 and pies 5 short collected under octroi, besides the non-production of an octroi counterfoil receipt book.

PART II.—Result of Current Audit.

4. Objections noticed during the audit are detailed as items 3 to 11 in the accompanying objection statement. The Mohatarfa accounts of this Municipality were very unsatisfactory. The arrears were very heavy and the collections were very unsystematic and slack.

5. The financial condition of the Municipality during 1913-14 stood as follows :—

Particulars	Opening balance	Receipt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	3,999 11 2	3,220 6 10	7,220 2 0
Public debt ...	30 4 0	...	30 4 0
Total ...	4,029 15 2	3,220 6 10	7,250 6 0

	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	3,445 9 3	3,774 8 9
Public debt ...	.....	30 4 0
Total ...	3,445 9 3	3,804 12 9

6. *Octroi.*—Date of collection of duty was found altered in a counterfoil receipt to a subsequent date, *vide* item No. 3 in the accompanying objection statement.

Amount of duty posted in the octroi register and remitted was in one case found to be less by 7 pies than that actually collected as per entry in the connected counterfoil receipt, *vide* item No. 4 in the accompanying objection statement.

7. *Mohatarfa.*—The mohatarfa accounts of the Municipality for 1913-14 stood as follows.—

	Rs. as. p.
Opening arrears on 1st July 1913 ...	973 9 11
Demand for 1913-14	1,643 6 8
Total ...	2,617 0 7
Collection during 1913-14	1,261 13 7
Closing arrears on 1st July 1914 ..	1,355 3 0

Of this amount, Rs. 325-8-9 were recovered to end of March 1915 leaving Rs. 1,029-10-3 to be still collected. The yearwar and classwar details for Rs. 1,355-3-0 are given below :—

The yearwar details.—

	Rs. a. p
1900-01	6 9 0
1901-02	25 15 11
1902-03	15 0 0
1903-04	12 2 8
1904-05	21 10 8
1905-06	7 0 0
1906-07	22 0 0
1907-08	16 8 0
1908-09	32 12 10
1909-10	111 9 10
1910-11	245 9 11
1911-12	85 11 6
1912-13	218 10 6
1913-14	534 1 2
Total ...	1,355 3 0

The classwar details.—

	Rs. a. p.
House tax	667 4 4
Oil-mill tax	21 0 0
Shop ,, ...	280 14 2
Cart ,, ...	275 7 10
Vacant site tax...	110 8 8
Total ...	1,355 3 0

No notices or warrants were issued during the year 1913-14.

8. *Pound.*—The serial numbers of cattle impounded were not quoted in the releasing receipts, *vide* item No 5 in the accompanying objection statement.

Amounts collected on account of feeding charges were not found acknowledged in the counterfoils of releasing receipts, nor were the sums brought on to the Pound Register and remitted, *vide* item No. 6 in the accompanying objection statement. The proper course to be adopted under the existing rules is to remit all collections including feeding charges to the Treasury in the first instance and to claim subsequently the feeding charges on bills by pointing out the credits.

Fines amounting to Re. 1 collected on 4 horses released on 19th April 1914 were by mistake not included in the remittance of Rs. 1-12-0 entered in the Remittance Register as made on the 29th idem. Date of release was first noted as 19th April 1914 against the entries of only 3 horses in the Pound Register and the column for this information against the entry of the fourth horse was left blank, probably by oversight at the time of release. When the short remittance was subsequently discovered by the pound-keeper, he corrected the date of release of the three horses to 29th April 1914 and entered the same date as date of release of the 4th horse also, just to make it appear that the collection of the sum of Re. 1 was made on the 29th idem subsequent to the remittance of Rs. 1-12-0. This rupee was however remitted afterwards. The remittance of Rs. 1-12-0 though shown in the Remittance Register as made on the 29th April 1914 was actually credited in the Treasury on the 15th May 1914, and this discrepancy in the date of remittance to Treasury was not explained *vide* items 7 and 8 in the accompanying objection statement.

In one case, the gross sale proceeds of a head of cattle were directly credited to Municipal revenue in the accounts, merely showing the amount in the Deposit Register, *vide* item No. 10 in the accompanying objection statement.

Record connected with the sale of a buffalo was not produced, *vide* item No. 11 in the accompanying objection statement.

9 *Deposits.*—The balance at credit of this account on the 1st July 1914 was Rs. 30-4-0. There were no transactions

Note on the Audit of the Accounts of the Municipality of Malvalli for 1913-14.

Name of Auditor.—M. K. Krishnasami Iyengar.

Date of Commencement of Audit.—19th February 1915.

Date of Completion of Audit.—22nd February 1915.

The last audit ended on 19th May 1914 and was for the period from 1st July 1911 to 30th June 1913.

Check of Cash Balance.—The balance of imprest as per imprest book on 23rd January 1915 up to which date there were transactions was Rs. 30-8-0, and the amounts to be recouped were as follows:—

		Rs.	a.	p.
1.	Rewards paid on 2nd January 1915	0	4	0
	Rewards paid on 9th January 1915	0	4	0
	Total ...	0	8	0
2.	Old items to be recouped.			
	16th April 1909 rope for travellers' bungalow	2	1	0
	23rd June 1911, 25th June 1911, 22nd Dec. 1911 — Disinfection charges, lantern repairs, etc. ..	10	11	0
	18th Mar. 1913 — Advance of Travelling Allowance to Daffedar for bringing	2	0	0
	2nd April 1913 — cholera pills, etc.	2	0	0
	10th Sept. 1913 For rubber seal for Octroi ...	2	12	0
	Total ...	19	8	0

There was thus an excess of Re. 0-8-0 over the sanctioned imprest of Rs. 50 which has to be refunded to Treasury as a miscellaneous item of receipt. This error is apparently due to a wrong credit of annas 8 on 4th October 1914 for amount erroneously paid twice as reward in September 1914. Besides the balance under imprest of Rs. 30-8-0, the petty cash book showed an undisbursed amount of annas 8 being the balance of cheque No. 19—50, dated 12th December 1914.

PART I.

Action taken on last Audit.

Of the several items of losses in revenue as pointed out in last audit, the following sums were found recovered and credited to Treasury.—

	Rs.	a.	p.
7th Nov. 1914 from Lakshmi Narnappa, Octroi Munshi ...	18	2	3
9th Nov. 1914 Dhonge-Venkatriya ...	17	2	7
19th Nov. 1914 Krishnamurthi ...	9	8	7
30th Nov. 1914 Patel Channagowda, pound-keeper	0	1	3
4th Feb. 1915 Patel Channagowda, Mohatarfa collector ...	0	8	0
Total ...	45	6	4

No action was taken in regard to the recovery of duty amounting to Rs. 197-2-4 on goods stated to have been imported into the town by merchants without payment of the proper duty.

2. The action taken to remedy the other irregularities pointed out during the previous audit was not explained, as the connected objection statements and audit notes had been returned by the Vice-President with replies to the President and no office copy thereof was available for reference in the taluk office.

PART II.

Result of Current Audit.

3. The several objections noticed in audit are embodied in the accompanying objection statements, the more important of which are dealt with below.—

The following is the financial condition of the municipality during 1913-14.

	Opening Balance	Receipt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue	1,177 3 7	4,223 5 9	5,400 9 4
Public debt ...	[illegible]	71 9 0	112 8 0
Total ...	1,[illegible] 3 7	4,294 14 9	5,515 1 5

	Expenditure	Balance
	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	4,307 4 11	1,093 4 5
Public debt ...	114 8 0	—2 0 0
Total ...	4,421 12 11	1,091 4 5

4. *Octroi.*—(*a*) As pointed out above, recoveries to the extent of Rs. 45-6-4 out of the loss sustained by the municipality under this head in the previous year were effected and the total revenue under octroi during 1913-14 was considerably better than in 1912-13, being Rs. 1,349-2-0 as compared with Rs. 987-13-3 in the latter year.

(*b*) A sum of Rs. 1-13-2, being the duty recovered on 350 cocoanuts as per receipt No. 21, dated 20th June 1914, was kept by the Octroi Manegar unremitted to Treasury till it was pointed out in audit. The amount was got remitted on the 22nd February 1915.

(*c*) Certain alterations apparently with a view of keeping back small sums collected were observed in the counterfoil receipts and as detailed in the objection statement an aggregate sum of Rs. 3-2-8 is recoverable from the official responsible.

5. It should be observed as an invariable rule that when corrections have to be made in the counterfoil receipts, to reduce either the quantities or the amounts entered in them, the incorrect receipt should be cancelled and fresh receipts should be used instead — such a safeguard will prevent to some extent opportunities for peculation.

6. Strict observance of the rule contained in Rule 324 of the Municipal Account Manual which requires that the day books and khiradis of out-door subordinates should be carefully examined by the municipal clerk before the remittances are made at the Treasury will also prevent the irregularities above mentioned.

7. *Mohaturfa.*—No revision of assessment has yet been effected as desired in Government letter No. 1892-9—M. 124-14-1 dated 19th August 1914. This omission was noticed in previous audits also and every year's delay means an appreciable loss to the municipality. The mohaturfa accounts of the municipality for 1913-14 were as follows :—

	Rs.	a.	p.
Arrers for 1912-13 ...	... 1,665	9	10
Demand for 1913-14	... 2,762	10	7
	4,428	4	5
Collection ...	... 2,516	3	5
Balance ...	... 1,912	1	0

The arrears were very heavy and no effective measures were found to have been

taken towards the recovery. The irregularities pointed out during last audit of collections being made by the Shanbhog and the Patel independently and of the collections made by them not being promptly brought on the khiradis continued during the period under present audit.

Some of the discrepancies noticed in this connection are detailed in the objection statement.

8. *Deposits.*—The deposit accounts of this municipality stood as follows.—

			Rs.	a.	p.
Opening balance	...	...	120	15	0
Receipts	...	...	71	9	0
	Total	...	192	8	0
Re-payments	...	...	114	8	0
Balance	...	...	78	0	0

The details of Rs. 1-8-0 omitted to be brought forward to the deposit register for 1912-13 were not traceable as the connected previous deposit register was not produced.

9. *General Remarks.*—The rules contained in the new Municipal Account Manual were not brought into force. Most of the forms and registers received from the press were lying unused.

The general cash book was not written up as transactions occurred. The entries for the period 1—10th October 1914 were interlined before closing the transactions for September 1914.

Full details of items of credit were not noted in the cash book. The distinction between the general cash book of the municipality and the petty cash book was not clearly understood. Cheques were entered in the general book, cash, in the month in which they were received from the President, and the differences in the monthly accounts due to the cheques issued in one month have being received and cashed in the next month were not explained. In fact, no attempt was made to reconcile the departmental and Treasury figures before submitting the monthly accounts to the President. Detailed instructions in all these points were given during the visit of inspection of the Assistant Comptroller in February 1915 and it is hoped that strict observance of the rules laid down will be ensured.

B. SRINIVASA IYENGAR,
Assistant Comptroller and officer in charge, Local Audit Department.

GPB—12 - 19-6-15

Audit Note of the Accounts of the Krishnarajpete Municipality, Mysore District, for 1913-14.

This is a non-Regulation Municipality.

Name of Chief Auditor.—Mr. A Narasimha Murti.

Name of Assistant Auditor.—Mr. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—27th March 1915.

Date of Completion of Audit.—28th March 1915.

Period occupied.—Two days.

Name of Vice-President.—T. Venkataramaiya, Esq.

The last audit ended on 4th April 1914 and was for the period from 1st July 1911 to 30th June 1913 and the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The imprest cash on hand with the Vice-President was examined on the 27th March 1915 and found to be Rs. 15-8-0. Imprest allowed is Rs. 50. Expenditure of Rs. 34-8-0 which accounts for the difference as detailed below, is yet to be recouped.

	Rs.	a.	p.
16-1-15—Kitson lights for the Hemagiri jatra ...	15	0	0
30-1-15—Sundry articles and temporary sweepers for the jatra	11	12	0
11-9-14—Advance for sinking a temporary well in the Krishnarajpete tank ...	2	0	0
26-10-11—Tools and plant ...	5	12	0
Total ...	34	8	0

PART I—Action taken on the last Audit.

No action has yet been taken in respect of the following objections raised during previous audits.

(1) A fine of one anna was recovered on a young ass in February 1911 instead of 2 annas. The short recovery of one anna is still unremitted.

(2) On cloth valued at Rs. 1,399-10-9 Octroi duty recovered on the 22nd May 1911 was Rs. 20-8-3 instead of Rs. 21-14-0. The difference has not yet been recovered.

(3) Octroi duty amounting to Rs. 5-8-1 on cloth valued at Rs. 352-10-0 is not yet recovered from Mr. Venkatachala Chetti, cloth merchant.

(4) Rupees 5-12-0 paid out of imprest on the 26th October 1911 for purchasing tools and plant have not yet been recouped.

PART II—Result of Current Audit.

3. The books maintained and examined during the current audit were the same as in the previous audits.

2. The financial condition of the Municipality during 1913-14 stood as follows :—

Particulars	Opening balance	Receipts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal revenue.	966 7 2	1,482 14 8	2,449 5 10
Public debt ...	—19 10 0	90 1 0	70 7 0
Total ...	946 13 2	1,572 15 8	2,519 12 10

Particulars	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	2,108 5 5	341 0 5
Public debt	...	70 7 0
Total ..	2,108 5 5	411 7 5

4. Objections noticed in the course of audit are embodied in the enclosed objection statements. The most important of these is that a sum of Re. 0-13-5 recovered on account of octroi duty was kept back unremitted, the original entries in the counterfoils of receipts having been altered by overwriting.

5. *Octroi.*—There was a considerable fall under receipts, under this head which were Rs. 530-12-6 during the year under audit as compared to Rs. 639-3-5 in 1912-13.

6. In the course of the examination of Octroi accounts, it was observed that, in the case of some of the counterfoils of receipts entries had been made therein by the Patel, though the counterfoils bore the signature of Shanbhog Tirunarayana Iyengar, and that the original entries of quantity and duty were in some cases altered by the Patel so that a portion of the collections amounting to Re. 0-13-5 was kept back unremitted. Such alterations

should not be allowed in future, *vide* items Nos. 6 to 9 and 12 to 18 in the objection statement.

7. *Mohatarfa.*—Uncollected arrears on the 30th June 1913 was Rs. 225-8-10. The demand for the year 1913-14 was Rs. 1,222-13-3. Collection during the year amounted to Rs. 902-7-0, leaving Rs. 545-15-1 uncollected on the 30th June 1914. The yearwar details for this sum were not available.

8. Counterfoil Receipt Books for the period from 31st March 1914 to 20th May 1914 were not produced for audit, *vide* item No. 21 in the objection statement.

9. For collections made on the 29th June 1914, as per entries in the khirdi receipts dated 30th *idem* were found issued. No receipt was issued for collection on the 29th June 1914 of Rs. 6 recovered from Krishnappa on account of khate No. 1, *vide* items 22 and 23 in the objection statement.

10. No register of notices was maintained, nor was any notice issued for the recovery of arrears.

11. No orders were obtained for increases of Rs. 2 each to the khates of Venkatanarayana Chetti and Nirvana Chetti on account of shop-tax, *vide* item No. 25 in the objection statement.

12. *Deposits.*—Opening balance, receipts and closing balance for 1913-14, were respectively Rs. 30-6-0, 90-1-0 and 120-7-0 during 1913-14. There were no re-payments during the year. The details for Rs. 120-7-0 are given below, except for the first item of Rs. 11-8-0 for May 1910 as the deposit register for the period was not produced.

		Rs.	a.	p.
	May 1910	11	8	0
31st August 1911,	sale proceeds of cattle	5	14	0
29th August 1912,	sale of manure	13	0	0
23rd April 1914,	sale proceeds of cattle	2	10	0
29th April 1914,	Do	18	10	0
3rd June 1914,	Do	25	2	0
	Do	34	6	0
	Do	9	5	0
	Total ...	120	7	0

There was no reason why these items were pending under deposits. All of them require to be adjusted soon.

13. A statement showing classwar mohatarfa arrears at the end of 1911-12, 1912-13 and 1913-14 is attached.

Audit Note of the Accounts of the Periyapatna Municipality for 1913-14.

This is a non-regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—3rd May 1915.

Date of Completion of Audit.—4th May 1915.

Period occupied.—Two days.

The last audit ended on the 8th July 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—Imprest allowed to the Vice-President is Rs. 50. The balance of imprest was Rs. 45-8-0 on the 30th April 1915 as per imprest cash book. This amount formed a portion of Rs. 139-13-0 (as detailed below) found in a bag containing all imprests allowed to the Amildar.

		Rs.	a.	p.
Imprest of Hunsur Municipality		45	8	0
Do	Periyapatna do	45	8	0
	Bhand imprest	30	0	0
	Maramat imprest	1	13	0
	Revenue imprest	17	0	0
	Total ...	139	13	0

Rupees four and annas eight expended on account of carriage of new lanterns from the Paschimavahini Railway Station remains unrecouped since November 1913 though 4 reminders were sent by the Vice-President to the President on the subject.

Part I.—Action taken on the Last Audit.

3. The audit note and objection statement for 1910-11 were not available in the Vice-President's office even now.

Those for 1911-12 and 1912-13 were yet lying there undisposed of. Unremedied objections detailed as items 1 and 2 in the accompanying objection statement are the following.

(1) Sanction of Government was not obtained to the levy of an arbitrary sum monthly from each merchant as octroi duty instead of recovering octroi duty on the actual quantity or value of goods imported by them.

(2) Non-adjustment of the difference of Rs. 140-4-0 between the deposit balance as per Vice-President's accounts and that in the President's accounts, as on the 30th June 1913.

PART II.—Result of Current Audit.

4. Objections taken in the course of audit are detailed as items 3 to 12 in the accompanying objection statement involving a short remittance of annas 15 as shown below :—

		Rs.	a.	p.
Octroi	....	0	8	0
Pound	....	0	7	0
Total	....	0	15	0

5. The financial condition of the Municipality during 1913-14 stood as follows.

Particulars	Opening balance	Receipts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal revenue ...	1,875 1 1	2,78 13 1	4,655 14 2
Public debt ...	179 13 (	131 11 (	311 8 0
Total ...	2,054 14 1	2, 12 8 1	4,367 [illegible] 2

Particulars	Disbursements	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	1,781 9 [illegible]	2,264 4 11
Public debt ...	1 7 11 [illegible]	203 13 0
Total ...	1,789 4 [illegible]	2,458 1 11

6. *Octroi.*—As in the previous year, the irregular system of levying a fixed sum monthly from the merchants in lieu of recovering duty at the time of import on the actual quantity or value of articles imported continued during the period under

audit and no sanction of Government to this departure from the authorised procedure was obtained. The amounts leviable each month was Rs. 45-6-0 as detailed below.

	Rs.	a.	p.
For cloth ...	18	0	0
Kerosine oil	11	0	0
Sheep and goats	1	4	0
Other articles ...	15	2	0
	45	6	0

But this amount too was not regular recovered monthly, nor was any account of demand, collection and balance maintained. The shanbhog kept some account of these recoveries on slips of paper. Unrecovered arrears at end of March 1915 was Rs. 68-10-0 of which Rs. 58-10-0 were however collected by the end of April 1915.

7. Original entries in the counterfoil receipts of amounts recovered were found altered to less amounts, evidently with a view to withhold the remittance of the difference. This entailed a loss of annas 8 to the Municipality, *vide* items 3 and 4 in the accompanying objection statement.

8. *Mohatarafa.*—The mohatarfa accounts of the Municipality 1913-14 stood as follows :—

	Rs.	a.	p.
Arrears on 1st July 1913 ...	135	10	3
Demand for 1913-14 ...	1,324	7	5
Total ...	1,460	1	8
Collection during 1913-14 ...	1,254	0	4
Arrears on 1st July 1914 ...	206	1	4

The classwar details for this amount are given below :—

	Rs.	a.	p.
House tax ...	56	1	4
Shop ...	78	0	0
Cart ...	25	8	0
Vacant site ...	46	8	0
Total ...	206	1	4

The yearwar details of the arrears were not available.

9. Serial numbers were not given to orders in the increase and decrease statement, so that they may be quoted in the khate for facility of reference, *vide* item No. 7 in the objection statement.

10. Increases and decreases ordered have not been effected in the khate after bringing forward thereto the annual demand as it stood for each khatedar in the previous year, but only the resulting demand for the year is entered in the khate, *vide* item No. 8 in the objection statement.

11. *Pound.*—Against fines amounting to Re. 1 actually recovered on 2 cows and 2 calves as per counterfoil releasing receipt issued, only 12 annas were shewn as recovered in the Pound Register and remitted, *vide* item No. 5 in the objection statement. Owing to wrong totalling, there was also a short remittance of 2 annas under fines and of one anna under feeding charges, *vide* item No. 6 in the objection statement.

12. *Deposits.*—The opening balance under Deposits was Rs. 225-15-0, receipts and expenditure amounted to Rs. 131-11-0 and Rs. 10-7-11. The closing balance was Rs. 249-15-0. But the balance shewn in the Vice-President's accounts was Rs. 109-11-0. The difference between the President's and Vice-President's accounts is thus Rs. 140-4-0. The cause of this difference is explained in item 2 in the accompanying objection statement. Steps should be taken to adjust without further delay, the difference which was noticed during the previous audit also.

13. *Service Books.*—The service book of manegar Sheshagiraiya was not produced for audit though called for, *vide* item No. 12 in the accompanying objection statement.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer
in charge of Local Audit Dept.

GPB—12—28-7-15

Audit Note of the Accounts of the Mandya Municipality for 1913-14.

This is a Regulation Municipality.

Name of Auditor.—Mr. M. K. Krishnaswami Iyengar.

Date of Commecnement of Audit.—24th February 1915.

Date of Completion of Audit.—26th February 1915 (audited along with the accounts of the Maddur Municipality).

The last audit ended on the 11th April 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The Imprest and petty cash book balances at the Treasury examined by the Assistant Comptroller on the 25th February 1915, were Rs. 2-11-9 and Rs. 13-5-8 respectively, as per details given below:—

Of the Imprest of Rs. 50, the following items had to be recouped:—

	Rs.	a.	p.
On 2nd April 1914, advanced to tools and plant for Sanitary Inspectors ...	8	0	0
„ 6th April 1914, advanced to shroff for Remittance purposes ...	7	0	0
„ 20th April 1914 „ do ...	2	4	0
„ 17th July 1914, advanced for Amani lighting ...	15	0	0
„ 21st July 1914, advance to revenue peon Venkata for proceeding to Pasteur Institute ...	4	11	3
„ 23rd July 1914, do for Guliga ...	7	1	0
„ 10th August 1914, reward for killing snakes ..	0	4	0
„ 4th September 1914, paid for a pully near Taluk Cutcherry ...	0	8	8
„ 11th November 1914, reward for killing snakes ..	0	4	0
„ 27th November 1914, for disinfection charges to Sanitary Inspector ...	2	0	0
„ 19th December 1914, reward for killing snakes ...	0	4	0
	47	4	3
Balance ...	2	11	9

The undisbursed cash on hand out of cheque No. 55-30—803, dated 7th December 1914 for Rs. 148-11-9 was Rs. 28-5-8 of which Rs. 15 had been advanced to lighting contractor on 7th December 1914 and the balance of petty cash was thus Rs. 13-5-8. All these items require early adjustment.

PART I.—Action taken on the last Audit.

The audit notes for 1910-11 and for 1911-12 and 1912-13 of this Municipality forwarded with Comptroller's letter No. 1656—L. A. D. 176, dated 29th August 1914, were pending disposal in the Taluk office.

The objections taken during the previous audits that remained undisposed of

are detailed as items 1 to 16 in the accompanying objection statements. Briefly stated, important objections out of them are as follows:—

(1) Non-recovery of Rs. 8-5-5 as detailed below :—

				Rs.	a.	p.
Mohatarfa	...	...	...	5	6	11
Octroi	...	...	...	1	6	6
Pounds	...	...	...	1	8	0
		Total	...	8	5	5

(2) Omission to assess the carriages of Amildar, D. P. W. Sub-Division Officer and Excise Supervisor to mohatarfa.

(3) Non-reconciliation of differences under Mohatarfa between the Bakipatti and Khate.

(4) Explanation not furnished as to why an imprest of Rs. 100 was held, when the sanctioned amount was only Rs. 50.

(5) Details of balances outstanding in February 1910 under Deposits were not noted in the Deposit Register which was then opened.

PART II.—Result of Current Audit.

2. Objections taken in the course of the current audit are detailed as items 17 to 26 in the accompanying objection statement. The most important of them are briefly alluded to below.

(1) Retrenchments and recoveries amounting to annas 8 and pies 4 as below :—

				Rs.	a.	p.
Octroi	...	...	...	0	1	4
Pounds	...	...	...	0	7	0
		Total	...	0	8	4

(2) Alterations in the Mohatarfa Khirdi and counterfoils of receipts, of the dates of recoveries and not posting in the Khirdi collections in their chronological order.

3. The financial condition of the Municipality during 1913-14 stood as follows:—

Particulars	Opening balance	Receipts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	876 [illegible]	1,[illegible]	2,[illegible]
Public debt ...	—27 8 0	.....	—27 8 0
Total ...	84[illegible]	1,[illegible]	4,775 [illegible]

Particulars		Expenditure	Closing balance
		Rs. a. p.	Rs. a. p.
Municipal Revenue	...	1,47[illegible]	[illegible] 13 5
Public debt ...	...	[illegible]	—[illegible] 1 0
Total	...	1,[illegible]	1,[illegible] 9 5

4. *Octroi.*—Original entry of the number of bundles of betel-leaves was found altered, in a counterfoil receipt, from 24 to 16. This was done evidently with a view to withhold the duty on the difference of eight bundles. The duty on a bundle of betel-leaves being two pies, the sum of one anna and four pies thus withheld should be recovered and credited to Treasury, *vide* item No. 17 in objection statement.

5. *Mohatarfa:*—The mohatarfa accounts of this Municipality as well as those of Maddur were in a hopeless confusion. There was no sarkar khate written. The bakipatti prepared as at end of 13-14 was neither complete nor correct. No reconciliation of the D. C. B. balance with the individual details was attempted.

6. The mohatarfa accounts of the Municipality for 1913-14 stood as follows:—

		Rs.	a.	p.
Opening balance on 1st July 1913	...	498	11	11
Demand for 1913-14	...	1,167	10	7
Total	...	1,666	6	6
Collection during 1913-14	...	977	6	4
Arrears on 1st July 1914	...	689	0	2

7. The above are the results arrived at during audit. The balances shown in the Bakipatti and Demand collection and Balance statement as on 1st July 1914 were respectively Rs. 563-2-4 and Rs. 628-0-7. These differences should be reconciled early, *vide* para 1 (3) *supra*.

8. Entries in the khirdi of collections made on the 10th August 1913 were found made after those of the 14th idem, *vide* item No. 22 in the objection statement.

9. Collections made in four cases on the 10th August 1913 were first posted in the khirdi as made on this date, but the date was subsequently altered to 14th, *vide* item No. 23 in the objection statement.

10. The original date entered in a receipt was found altered from 10th August 1913 to 14th, *vide* item No. 24 in the objection statement.

11. In one case, collection made on the 15th August 1913 as per receipt was posted in the khirdi, as if made on the previous day, *vide* item No. 25 in the objection statement.

12. The number of order sanctioning increases and decreases was not noted in the khate nor were the khate numbers

quoted in the kammi jasti statement, *vide* item No. 26 in the objection statement.

13. *Pounds.*—Original entry of 12 black sheep in an impounding receipt was altered to 8, apparently to withhold annas four being the fine leviable on the difference of four sheep, *vide* item No. 18 in objection statement.

14. Short recovery of 3 annas was also observed, *vide* items 19 to 21 in the objection statement.

15. *Deposits.*—The deposit accounts for 1913-14 stood as follows :—

	Rs.	a.	p.
Opening balance on 1st July 1913 ...	22	8	0
Receipts during 1913-14 ...	0	0	0
Total ...	22	8	0
Expenditure during 1913-14 ...	11	12	0
Balance on 1st July 1914 ...	11	12	0

16. *General remarks.*—The collection of mohatarfa has not been satisfactory ; arrears are increasing from year to year, *vide* para 3 *supra*.

(2) The system of collection of taxes in two instalments as required by Government Order No. 6044-55—Mi. 177-07-6 of the 20th January 1910, and Rule 76 of the Municipal Account Manual has not yet been introduced.

(3) The revision of mohatarfa taxes directed by G.O. No. 1872-9—124-14-1, dated 19th August 1914, was not taken up by the Municipal Council on the ground that four years had not lapsed since the last revision effected in June 1911.

(4) There was no audit by Municipal Agency.

(5) The incumbent who happened to be permanently in charge of the Local Fund Clerk's work at the time of inspection in February 1915, was not able to cope with the work required of him. He did not know English, he was unable even to understand the instructions given by the Assistant Comptroller, Mr. B. Sreenivasa Iyengar, regarding the use of the forms and registers and the preparation and submission of monthly accounts.

B. SRINIVASA IYENGAR,
Assistant Comptroller and officer in charge of the Local Audit Department.

W. D. 76-GP3-12-83-15.

Audit Note of the Accounts of the Maddur Municipality, Mysore District, for 1913-14.

This is a Regulation Municipality.

Name of Auditor.—M. K. Krishnasami Iyengar.

Date of Commencement of Audit.—23rd February 1915.

Date of Completion of Audit.—26th February 1915.

(Audited along with the accounts of the Mandya Municipality for 1913-14.)

The last audit ended on 25th April 1914 and was for the period from 1st July 1911 to 30th June 1913 and the present audit covered the official year 1913-14.

Check of Cash Balance.—No permanent advance is sanctioned for this Municipality.

PART I.—Action taken on the Last Audit.

The audit note and objection statement of the previous years were pending disposal in the Vice-President's Office.

2. The objections noticed in previous audit and remaining undisposed of are embodied as items 1 to 3 in the accompanying objection statement. Briefly stated, they are as follows :—

(1) Omission to increase shop-tax by a rupee.

(2) Non-remittance of Rs. 2 recovered under Mohatarfa.

(3) Wrong credit in the Treasury accounts to other funds of Rs. 42-5-0 creditable to the Municipality. Prompt action should be taken to remedy the above irregularities.

PART II.—Result of Current Audit.

3. The several objections noticed in audit are embodied as items 4 to 19 in the accompanying objection statements and the more important of them are briefly dealt with in this audit note.

4. Retrenchments and recoveries.

Pounds.

	Rs. a. p.
hort recovery (This amount is shown as received by money order in the cash book on 9th March 1914) ..	... 0 14 0
hort remittance ...	... 0 3 0
ide item No. 7 in the objection statement	
Total	... 1 1 0

5. The financial condition of the Municipality during 1913-14 was as follows :—

Particulars	Opening balance	Receipt	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	36 0 6	800 14 2	836 14 8
Public debt ...	0 0 0	0 0 0	0 0 0
Total ...	36 0 6	800 14 2	836 14 8

Particulars	Expenditure	Balance
	Rs. a. p.	Rs. a. p.
Municipal Revenue ...	769 1 6	67 13 2
Public debt	0 0 0	0 0 0
Total ...	769 1 6	67 13 2

6. Under Rule 20 of the Municipal Account Manual, the minimum closing balance should be 25 per cent of receipts or Rs. 203 in the case of this Municipality. Actual closing balance falls short of this minimum by Rs. 110.

Receipts.

7. *Octroi.*—No octroi duty is levied in this Municipality.

8. *Mohatarfa.*—The mohatarfa accounts of this Municipality stood as follows during 1913-14.

				Rs.	a.	p.
Opening arrears ...	...	...	...	1,[illegible]	9	8
Demand for 1913-14 ...	...	...	...	1,[illegible]	4	0
			Total ...	[illegible]	13	8
Collection during 1913-14	..	...	...	[illegible]	8	7
Balance on the 1st July 1914	...	...	...	1,[illegible]	[illegible]	8

The above balance is the result arrived at in audit. The balances shewn in the Bakipatti and the demand, collection and balance statement are respectively, Rs. 1,802-12-0 and Rs. 1,759-13-8 and the differences require reconciliation.

9. The irregularities noticed under this head are as below :—

(1) Alteration of dates of recovery in the Khirdi, *vide* item No. 10 in the objection statement.

(2) Notices issued remained unserved for 3 to 5 months, *vide* item No. 11 in the objection statement.

(3) Wrong arrears were shewn in Khate, *vide* item No. 12 in the objection statement.

(4) Demand including notice fee was not recovered, *vide* item No. 13 in the objection statement.

(5) Notice was issued for a larger amount than that actually due, *vide* item No. 14 in the objection statement.

(6) There was no evidence on record of the warrants issued in a few cases having been executed, *vide* item No. 15 in the objection statement.

(7) No notice was issued in a few cases, *e.g.*, *vide* item No. 16 in the objection statement.

(8) Arrears shewn in the Notice Register were found in one case to be less than the amount actually due, *vide* item No. 17 in the objection statement.

(9) Demand was in one case found reduced by Re. 1 in spite of express orders of the Vice-President to the contrary, *vide* item No. 18 in the objection statement.

(10) Reduction of demand by Re. 1 is made, it is stated, under the personal orders of the Vice-President, *vide* item No. 19 in the objection statement.

10. *Pound.*—Defects noticed under this head are briefly the following :—

(1) Short remittance of annas 3, *vide* item No. 7 in the objection statement.

(2) Delays in remittance were noticed, *vide* item No. 8 in the objection statement.

(3) Feeding charges recovered were not remitted, *vide* item No. 6 in the objection statement.

(4) Impounding receipts were not signed by the pound-keeper, *vide* item No. 5 in the objection statement.

11. *Cash Book.*—Remittance of annas two being the pound receipts for January 1914 was not brought to the cash book for February 1914 during which the amount was remitted, *vide* item No. 9 in the objection statement.

12. *General.*—It will be seen from the above that collection work of mohatarfa is not satisfactory and the arrears are increasing. The system of collection of taxes in two instalments as required by G. O. No. 6044-55—Ml. 177-07-6 of the 20th January 1910, and Rule 76 of the Municipal Account Manual has not yet been introduced. Mohatarfa collection should be brought under better control and the issue of notices and warrants periodically examined by the Vice-President. Before effecting reduction of taxes, it would be well to obtain applications from parties. In the case of reduction of cart-tax the applicants should invariably be required to state how the carts were

disposed of, so that in case they are sold to persons resident within the Municipal limits, corresponding increase of tax may be effected.

B. SRINIVASA IYENGAR,
Assistant Comptroller, and officer in charge, Local Audit Department.

GPL—12—27-7-15

Audit Note of the Accounts of the Chamrajnagar Municipality for 1913-14.

This is a Regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K Krishnaswamiengar.

Date of Commencement of Audit.—10th May 1915.

Date of Completion of Audit.—13th May 1915.

Period occupied.—Four days.

The last audit ended on the 20th June 1914 and was for the period from 1st July 1912 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—The imprest and other cash balance on hand with the Vice-President were examined on the 19th May 1915 and found to be Rs. 7-14-6 as detailed below:—

	Rs.	a.	p.
Imprest	1	2	6
Petty cash book balance...	6	12	0
Total ...	7	14	6

These balances agreed with those shown in the imprest and petty cash books respectively.

3. The imprest allowed to the Vice-President is Rs. 100. Balance on hand being Rs. 1-2-6, the unrecouped expenditure amounted to Rs. 98-13-6 as detailed below :—

	Rs.	a.	p.
From September 10th to March 1915, as detailed in item No. 25 in the accompanying objection statement ...	30	14	9
7th April 1915. Lighting for April 1915 ...	24	13	7
21st April 1915. Repairs of Conservancy carts	16	9	0
6th May 1915. Lighting for May 1915 ...	26	4	2
Do Reward for killing snakes ...	0	4	0
Total ...	98	13	6

4. The details for Rs. 6-12-0 being the balance as per petty cash book are noted below :—

	Rs.	a.	p.
Undisbursed pay of lamp-lighter for April 1915	5	0	0
Balance of cheque No. 12-36 of 2nd March 1915 for Rs. 22-14-8, being the value of contingent articles bought of Padmaraja Chetti, in November 1914	1	12	0
Total ...	6	12	0

PART I.—Action taken on the last Audit.

5. (i) The audit note and objection statement for 1912-13 were under disposal in the Vice-President's Office.

(ii) No action was taken by the Vice-President in respect of the *undernoted items of mohtarfa dues which were stated to have been paid by the Khatedars but were not brought to account.

Khata No.	Khatedar	Amount. Rs. a. p.
159	Nanjundachetti	1 8 0
548	Kalandar Sa	2 0 0
346	Ankha ...	3 8 0
547	Khasimbi	3 8 0
355	Ahmedkhan	4 8 0
877	Tippu S	4 0 0
774	Ramachetti ...	1 0 0

(iii) Of the sum of Rs. 3-8-0 objected to for recovery in para 7 (*a*) of the audit note for 1911-12, viz:—

	Rs. a. p.
Rupees 3 recovered from H ... account of shop tax ... 31st ... per counterfoil receipt No. ..., Book 3, vide objection No. 30 of 1911-12, and not brought on to Khata and ... eight recovered from ... Department on the 15th April 1912 as per ... receipt No. 11, Book 8 ... and ... to Khirdi, vide objection No. 35 for 1911-12 ...	3 8 0

It was stated that Rs. 2-14-0 were recovered on the 4th April 1912 as that was the amount outstanding against the Khatedar at the time, and that though the receipt was written on the 1st March 1912 for Rs. 3 at the request of the party, he refused afterwards to pay the amount, but credit of the 2nd item of annas 8 in the Khirdi was not however pointed out. The Khata for 1911-12 which was required for verification was not produced.

(iv) Unremedied objections are detailed in the accompanying objection statement as items 1 to 3.

PART II.—Result of Current Audit.

6. Irregularities noticed in the course of the audit are detailed as items 4 to 32 in the accompanying objection statement, involving chiefly—

(i) A short remittance of Rs. 1-11-6 as detailed below:—

	Rs. a. p.
Mohtarfa	0 4 0
Pounds	1 7 6
Total	1 11 6

(ii) Exclusion of packing etc., charges from the invoiced price of cloth imports and recovery of Octroi duty on the balance.

(iii) Recovery of Octroi duty at one pie per 100 betel leaves, instead of the sanctioned rate at 2 pies, *vide* Administration Report of the Municipalities in the Mysore District for 1912-13.

(iv) Omission to recover Octroi duty on sheep and goats at one anna per head.

7. The financial condition of the Municipality during 1913-14 stood as follows:—

Particulars	Opening balance		Receipts		Total		Expenditure		Closing balance	
	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.	Rs.	a. p.
Municipal Revenue ...	9,957	2 1	7,329	14 8	17,287	0 9	3,587	6 10	13,699	9 11
Public debt ...	774	8 0	24	10 0	799	2 0	763	0 0	36	2 0
Total ...	10,731	10 1	7,354	8 8	18,086	2 9	4,350	6 10	13,735	11 11

Octroi.

The following omissions and defects were noticed in the Octroi accounts:

8. (i) Packing charges, etc., were excluded from the invoiced price of cloth imports, and octroi duty was recovered on the balance.

(ii) No explanation was furnished as to why octroi was recovered on betel leaves at 1 pie per 100 leaves instead of at the sanctioned rate of 2 pies and why no duty was levied on sheep and goats.

(iii) As octroi duty on cloth is leviable *ad valorem* in the town of import and as such value includes packing, etc., charges, they should not be excluded from the invoiced price and duty should be recovered on the gross value.

9. *Mohatarfa.*—The mohatarfa accounts of the Municipality for 1913-14 stood as follows :—

		Rs.	a.	p.
Arrears on the 1st July 1913	...	2,112	14	0
Demand for 1913-14	...	[illegible]	[illegible]	[illegible]
Total	...	5,798	6	0
Collection during 1913-14	...	1,[illegible]94	5	4
Arrears on the 30th June 1914	...	4,[illegible]4	[illegible]	8

Classwar details for this amount are as follows :—

		Rs.	a.	p.
House and land tax	...	[illegible]	[illegible]	[illegible]
Shop	...	[illegible]	[illegible]	[illegible]
Oil mill	...	[illegible]	[illegible]	[illegible]
Cart	...	[illegible]	[illegible]	[illegible]
Arrears	...	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]

Yearwar details are as follows :—

		Rs.	a.	p.
1909-10	...	[illegible]	[illegible]	[illegible]
1910-11	...	[illegible]	[illegible]	[illegible]
1911-12	...	[illegible]	[illegible]	[illegible]
1912-13	...	[illegible]	[illegible]	[illegible]
1913-14	...	[illegible]	[illegible]	[illegible]
	...	[illegible]	[illegible]	[illegible]

Of this amount, Rs. 91[illegible]-2-7 were recovered to end of April 1915, leaving Rs. 818-14-1 still to be recovered. No action was found to be taken in several cases of arrears.

In cases of decrease of cart tax owing to carts having been sold, it was not stated in the Kammi Jasti Register whether the carts were sold to persons resident without or within the Municipal limits, and whether in the latter case, a corresponding increase of the tax is watched, *vide* items Nos. 7 and 17 in the objection statement.

Stamped signature of the Vice-President was used in the Kammi Jasti Register contrary to Government Order No. 2915-58—G. 6169 of the 18th June 1895, *vide* item No. 8 in the accompanying objection statement.

Khate numbers were not noted in the counterfoils of receipts. Collections made after issue of notices were not noted on the reverse of the notices. Warrants issued in November 1914 remained unexecuted. In one case, warrant was issued for a larger amount than what was actually due, while, in another though it was served on the defaulter no moveable property was attached, *vide* items 7 to 17 in the accompanying objection statement.

The system of collecting the tax in two half-yearly instalments as required by Government Order No. [illegible]4-54—Ml. 177-07-6 of the 29th January 1910, has not yet been introduced.

10. *Pounds.*—Original entries in the counterfoil receipts of animals admitted and released were altered, evidently with a view to keep back a portion of collections, resulting in a short remittance of Re. 0-13-6, *vide* items 18 to 20 in the accompanying objection statement.

Short recovery of fines amounting to annas four were also noticed, *vide* items 21 to 23 in the objection statement.

A sum of annas six actually recovered as fine was wrongly accounted for as feeding charges and was subsequently refunded as such to the pound-keeper, *vide* item No. 24 in the objection statement.

11. *Imprest.*—Expenditure amounting to Rs. 30-14-9 incurred from September 1910 to the end of March 1915 remained yet uncouped. Steps should be taken to have these items of expenditure recouped without further delay, *vide* item No. 25 in the objection statement.

12. *Contingencies.*—During the audit of the accounts of this Municipality, kept in the Nanjangud Sub-Division Office, the following irregularities were noticed, *vide* items 26 to 30 in the objection statement:—

(1) Want of 16 payees' receipts amounting to Rs. 68-7-1.

(2) Number of lights and the rate at which the lighting charges were paid were not noted in the connected bills.

(3) Signatures of payees in their receipts in Hindustani and Tamil were not transliterated.

(4) Correction of amount in a receipt was not attested by the payee.

13. *Deposits.*—The deposit accounts of this Municipality during 1913-14 stood as follows:—

	Rs.	a.	p.
Opening balance on 1st July 1913...	874	8	0
Receipts during 1913-14 ...	24	10	0
Total ...	899	2	0
Repayments during 1913-14 ...	763	0	0
Closing balance on the 30th June 1914	136	2	0

14. The closing balance as per Vice-President's accounts was Rs. 61-10-0. Difference of Rs. 74-8-0 due to the following causes should be adjusted early:—

	Rs.	a.	p.
Difference found in the balance as on 30th June 1913 and not yet traced	3	8	0
Debit shown in the Vice-President's Accounts and his deposit register in September 1913 but omitted in the President's accounts ...	71	0	0
Total ...	74	8	0

15. *General Remarks.*—The closing balance at the credit of the Municipality on the 30th June 1914 was Rs. 13,699-9-11, and the Municipal revenue during 1913-14, Rs. 7,329-14-8. The maximum closing balance allowable under Rule 20 of the Municipal Account Manual is 30 per cent of receipts or Rs. 2,199 in this case. The actual closing balance exceeds this sum by Rs. 11,501. In Government Order No. 12552-4—L. B. 306-10-4 of the 12th June 1914, an estimate amounting to Rs. 3,370 was sanctioned for improving the Chamsagara tank in this Municipality. This will still leave Rs. 8,131 which may be suitably invested in liquid securities, if accumulation of funds is not considered necessary for any other project in view.

B. SREENIVASIENGAR,

Assistant Comptroller and Officer in charge of Local Audit Department.

GPB-11-2-

Audit Note of the Accounts of the Gundlupet Municipality for 1913-14.

This is a non-regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Asst. Auditor.—M. K. Krishnaswamiengar.

Date of Commencement of Audit.—15th May 1915.

Date of Completion of Audit.—17th May 1915.

Period occupied.—3 days.

The last audit ended on the 24th June 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—Imprest allowed to the Vice-President is Rs. 100. The imprest cash balance was counted on the 15th May 1915 and found to be Rs. 37-8-7 which agreed with the balance shown in the imprest cash book. The difference of Rs. 62-7-5 represents the unrecouped expenditure detailed below :—

Date		Rs.	a.	p.
28-11-14 to 17-3-15	As detailed in item No. 33 of the objection statement.	51	7	5
April 1915	Reward for killing snakes.	1	0	0
7-5-15	Advance for repairing lanterns.	10	0	0
	Total ...	62	7	5

PART I.—Action taken on the last Audit.

3. The action taken on the objections raised during the audit of accounts for 1910-11 could not be definitely ascertained as, in the Vice-President's office, there was not even the office copy of the connected audit note and objection statement. The audit note and objection statement for 1911-12 and 1912-13 were lying undisposed of in the Vice-President's office. The unremedied objections of these years are detailed in the accompanying objection statements as items 1 to 11 involving chiefly.—

(i) the non-recovery of Rs. 57-11-6 as follows:—

	Rs.	a.	p.
Octroi ...	47	3	6
Mohatarfa ...	2	0	0
Pound ...	8	8	0
Total ...	57	11	6

and (2) the non-production of some octroi and mohatarfa counterfoil receipt books and imprest cash book.

PART II.—Result of Current Audit.

4. Objections raised during the course of the audit are detailed as items 12 to 35 in the accompanying objection statement, including chiefly

(i) the short remittance of Rs. 2-14-8 as detailed below:—

	Rs.	a.	p.
Octroi ...	2	5	8
Pound ...	0	9	0
Total ..	2	14	8

and (ii) the non-production of —

(*a*) the records connected with the sale of a cow, and.

(*b*) the counterfoil receipt books of mohatarfa collections for about 7 months.

5. The financial condition of the municipality during 1913-14 stood as follows:—

Particulars	Opening balance	Receipts	Total
	Rs. a. p	Rs. a. p.	Rs. a. p.
Municipal revenue ...	5,299 1 5	4,087 7 9	9,386 9 2
Public debt ...	488 15 2	31 4 0	520 3 2
Total ...	5,788 0 7	4,118 11 9	9,906 12 4

Particulars	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	2,683 6 4	6,703 2 10
Public debt	...	520 3 2
Total ...	2,683 6 4	7,223 6 0

6. *Octroi.*—The shanbhog and patel of the place are entrusted with the collection of octroi duty on payment of commission. Duplicate invoices of cloth imports were not forthcoming for 1913-14, but these documents were regularly filed from the 18th August 1914.

7. Wrong totals resulting in a short remittance of 0-14-0 were observed. Similarly alterations of original entries in counterfoil receipts, involving a loss of Rs. 1-7-8 were also observed, *vide* items 12 to 15 in the accompanying objection statement.

8. *Mohatarfa.*—The mohatarfa accounts of the Municipality for 1913-14 stood as follows :—

	Rs.	a.	p.
Arrears on 1st July 1913 ..	3,090	2	9
Demand for 1913-14 ...	2,127	4	10
Total ...	5,217	7	7
Collection during 1913-14 ..	1,900	2	11
Arrears on 1st July 1914...	3,317	4	8

9. The above are the results arrived at during audit. The khate abstract shows Rs. 3,308-4-8 as arrears on the 1st July 1914. The Vice-President's demand, collection and balance statement shows the arrears to be Rs. 3,311-4-8. The classwar and yearwar details for this sum are given below :—

Classwar details.

	Rs.	a.	p.
House tax	1,361	1	2
Vacant site tax ..	100	11	7
Shop tax	1,126	3	1
Oil-mill tax	55	0	7
Cart-tax	668	4	3
Total ...	3,311	4	8

Yearwar details.

	Rs.	a.	p.
1900-01	28	0	8
1901-02	25	15	3
1902-03	110	10	2
1903-04	0	14	5
1904-05	36	9	3
1905-06	42	15	7
1906-07	69	4	8
1907-08	64	11	0
1908-09	106	6	10
1909-10	141	12	0
1910-11	230	3	0
1911-12	437	7	7
1912-13	666	6	8
1913-14	1,349	15	7
Total ...	3,311	4	8

10. The correct total of Kulvar Bakipatti as at end of 1913-14 agrees with the arrears shown in the khate abstract. The differences between the audited figure, khate abstract and the demand, collection and balance statement, should be reconciled.

11. Of the arrears shown in para 8 *supra*, Rs. 798-11-2 were collected to end of April 1915, leaving Rs. 2,518-9-6 to be still recovered. The arrears are increasing year after year and the collection work is not satisfactory.

	Rs.	a.	p.
Arrears at end of 1910-11 ...	2,178	12	1
Arrears at end of 1911-12 ...	2,400	14	6
Arrears at end of 1912-1913...	3,090	2	9
Arrears at end of 1913-14 ...	3,317	4	8

No notices were issued for arrears at end of 1913-14 till the 27th February 1915. From the notice register opened from this date, it is seen that 234 notices were issued up to 12th April 1915, and no further steps have yet been taken for recovery of the arrears. The matter deserves some attention.

12. Counterfoil receipt books for the period from 1st July 1913 to 2nd February 1914 were not produced for audit. Certificates of the number of pages the books contained were not recorded on some books. Only part recovery was entered in the khirdi on the date of collection and the balance on a subsequent date, *vide* items Nos. 26 and 27 in the accompanying objection statement.

13. *Pound.*—Pencil entries were made in impounding receipts. Discrepancies in the dates of admission and release of cattle between the counterfoils of receipts and the pound register were observed, *vide* items Nos. 16 to 18, 20 and 23 of the accompanying objection statement. There were differences in the totals of the register and in the recoveries as entered in the receipts and the register, *vide* items 21 and 24 in the objection statement.

14. A short recovery of annas four and less remittance of annas five were noticed, *vide* items 17 and 19 of the accompanying objection statement.

15. Records connected with the sale of a cow in February 1914 were not produced for audit, *vide* item No. 25 in the accompanying objection statement.

16. *Acquittance Rolls.*—No thumb impressions of illiterate payees were taken in the acquittance roll during 1913-14. But this is done since September 1914.

17. *Contingencies.*—Service labels valued at Re. 1 were purchased from the Municipal imprest on the 15th March 1915, and given to the Local Fund clerk to use them for purposes of registering covers and packets containing bills and measurement books, recovering the value of stamps so used from the contractors concerned. It appears that when all the stamps are thus sold, a fresh supply of service labels will be bought for use as above with the rupee realised as value. On the 15th May 1915, eight annas worth

of service labels and eight annas in cash were found with the Local Fund clerk. Whenever the stamps are used to register documents in which no contractor has any interest, the value of the stamps will be charged to contingencies.

18. *Deposit.*—The balances, receipts and repayments under this head during 1913-14 were as follows :—

	Rs.	a.	p
Opening balance	742	7	0
Receipts during 1913-14	31	4	0
Total ...	773	11	0
Repayments in 1913-14	...	..	
Closing balance ...	773	11	0

Rupees 23-0-0 in February 1914 and Rs. 20-12-0 in June 1914 were entered as adjusted in the Vice-President's deposit register, but the corresponding adjustment entries were not made in his abstract of receipts and expenditure for those months. The repayments were accordingly omitted by the President's office, with the result that the items still remain unadjusted. Necessary adjustment should be effected early.

19. *Imprest Account.*—Expenses were found to have been incurred from the imprest for purposes other than those of the Municipality and expenditure incurred since November 1914 to end of March 1915 amounting to Rs. 51-7-5 remained unadjusted, *vide* items 32 and 33 of the objection statement.

21. *General.*—There was no petty cash book for 1913-14. A book was however opened since the 4th September 1914.

The closing balance at the credit of the Municipality on the 30th June 1914 was Rs. 6,703-2-10, the receipts during the year 1913-14 being Rs. 4,087-7-9. The maximum closing balance admissible under Rule 20 of the Municipal Account Manual is 30 per cent of the annual receipts. As the actual closing balance exceeds this sum it is a point for the consideration of the Council if the surplus should not be suitably invested, if accumulation of funds is not necessary for carrying out big projects, if any, in view.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge,
Local Audit Department.

GPB—12—25-7-15

Audit Note of the accounts of the French Rocks Municipality for 1913-14.

This is a non-regulation municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit—6th April 1915.

Date of Completion of Audit.—8th April 1915.

Period occupied.—Three days.

The last audit ended on the 20th March 1914, and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The cash balance on hand was examined on the 8th April 1915 and found to be Rs. 191-0-10, which was made up of the following imprests :—

	Rs.	a.	p.
Muzrai	65	15	7
Other imprests	125	1	3
Total ...	191	0	10

The latter amount of Rs. 125-1-3 included Municipal imprests amounting to Rs. 7-7-0 as detailed below :—

	Rs.	a.	p.
French Rocks	5	10	0
Melkote	1	13	0
Total ..	7	7	0

2. Of the imprest allowed to the Vice-President for this municipality, *viz.*, Rs. 50, the amount expended and remaining unrecouped was Rs. 44-6-0 while the imprest cash book erroneously shewed the expenditure as Rs. 44-10-0. Out of the imprest of French Rocks Municipality Rs. 43-2-0 were spent on account of the Melkote Municipality and it should be recouped at once.

PART I.—Action taken on the Last Audit.

3. The audit note and objection statements for 1911-12 and 1912-13 were lying undisposed of in the Vice-President's Office. There was no evidence of any attempt having been made to dispose of the objections.

The following amounts objected to for recovery were not recovered :—

Octroi. —

				Rs.	a.	p.
Short recovery ...	...	...	...	0	0	3
Duty not recovered from the following merchants :—						
(1) Chabu Meah Sab and Khader Sheriff Sab .	Rs. 84	4	6			
(2) Nagoji Rao and Mahadeva Rao	„ 94	8	0			
			...	178	12	6
		Total ...		178	12	9

Vide items Nos. 1 and 2 in the accompanying objection statements.

PART II.—Result of current audit.

4. The irregularities noticed in the course of audit are entered in the accompanying objection statement. There was a short remittance of Re. 1-0-0 due to alterations of original entries in the mohatarfa counterfoil receipt, khirdi and khate, *vide* para 9 *infra*.

5. The financial condition of the municipality for 1913-14 stood as follows :

Particulars	Opening balance			Receipts			Total			Expenditure			Closing balance		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Municipal Revenue ...	5,627	10	8	3,126	13	5	8,754	8	1	2,039	3	4	6,715	5	9
Public debt ...	92	7	3	193	9	7	140	0	10	130	0	0	69	0	10
Total ...	5,720	1	11	3,320	7	3	8,893	9	2	2,169	3	4	6,784	5	10

Receipts.

6. *Octroi.*—The mutsaddi on Rs. 7 in charge of the Octroi collection work has not yet furnished any security, though objection was taken during the previous audits. He is in charge of Mohatarfa collection and supervision of Conservancy establishment also.

7. *Mohatarfa.*—Demand, Collection and Balance under this head during 1913-14 stood as follows :—

		Rs.	a.	p.
Arrears on 1st July 1913	...	672	4	1
Demand for 1913-14	...	1,393	12	0
Total	...	2,066	0	1
Collection during 1913-14	...	1,215	9	9
Balance on 1st July 1914	...	850	6	4

8. The above figures shew that the collection of Mohatarfa is not satisfactory. Arrears are allowed to go on increasing from year to year. Most of the arrears outstanding against officials as per statement No. 4 attached to the audit note for 1911-12 and 1912-13 remain yet unrecovered. No notice register was maintained. Notices and warrants were not issued during 1913-14. Those issued during 1911-12 and 1912-13 were yet pending service.

9. Original entries of Re. 1-8-0 made in counterfoil receipt No. 9 of 29th June 1914 issued to Rangaiya Chetty (Khate No. 508) in the Khirdi and Khate were found altered to annas 8 only, and this sum was remitted to Treasury, resulting in a short remittance of Re. 1, *vide* Item No. 7 in Objection Statement.

10. *Pound.*—Entry of admission and release of 18 heads of cattle consisting of 16 goats, one horse and one sheep was not made in the Pound-keeper's Register, though the fines recovered were however remitted to Treasury, *vide* Item No. 4 in the Objection Statement.

Debt Heads.

11. *Deposits.*—Balance at credit of this account on the 30th June 1914 was Rs. 123-8-10 against Rs. 119-9-1 shown in the Vice-President's accounts. The difference of Rs. 3-15-9 was, as observed during the previous audit, made up of Rs. 3-12-0 due to a second credit of the same amount in the President's accounts for April and May 1912 and Re. 0-3-9 for which details could not be known.

12. *Advances.*—A sum of Rs. 20 stands unadjusted at debit of this account. The particulars of the advance should be

traced and early steps should be taken to adjust it.

13. *Service Books.*—Attestation of a correction of date of entry into service from 18th February 1902 to 12th March 1902 and the insertion of the date of termination of appointment were not yet made in the Service Book of K. Ramanna, Mutsaddi, though the omissions were pointed out in the last audit note.

14. *General.*—No cash book was maintained in the Vice-President's Office. It is very necessary that, as explained in the last audit note, a general cash book in form No. 98, *vide* Rule 352 of the Municipal Account Manual and a petty cash book to record the receipt and disposal of all cheques and moneys received by the Vice-President should be maintained. The omission should be supplied at once.

15. The closing balance at the credit of the municipality on the 1st July 1914 was Rs. 6,715-5-0, while the Municipal Revenue during 1913-14 was only Rs. 3,126-13-8. The balance was thus more than twice the income for the year. The maximum closing balance may not, under Rule 20 of the Municipal Account Manual, exceed 30 per cent of the annual receipts unless accumulation of funds is necessary to carry out big projects. If no such project is in view, the excess of the balance may be suitably invested. It is requested that the special attention of the Board may be drawn to this matter.

B. SREENIVASA IYENGAR,

Assistant Comptroller and officer in charge, Local Audit Department.

GPB—12—27-7-15

Audit Note of the Accounts of the Heggàddevankote Municipality for 1913-14.

This is a non-regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimha Murthi.

Name of Assistant Auditor.—M. K. Krishnaswami Iyengar.

Date of Commencement of Audit.—6th May 1915.

Date of Completion of Audit.—7th May 1915.

Period occupied.—2 days.

The last audit ended on the 12th July 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Imprest allowed to the Vice-President is Rs. 50. The imprest balance actually counted on the 7th May 1915 was Rs. 30-14-0 and this agreed with the balance shewn in the Imprest Cash Book. Expenditure remaining unrecouped is thus Rs. 19-2-0 as detailed below :—

		Rs.	a.	p.
14-2-14.	Balance of advance to Sanitary Inspector for cleaning the town ...	8	0	0
20-3-15.	To Sanitary Inspector for cutting shrubs, etc.	10	0	0
16-2-15 to 1-5-15.	Reward for killing snakes ...	1	2	0
	Total ...	19	2	0

PART I.—Auction taken on the last Audit.

2. The audit note and objection statement for 1911-12 and 1912-13 were lying undisposed of in the Vice-President's office. The items remaining unremedied are detailed in the accompanying objection statement as items Nos. 1 to 8, including.

(1) Non-recovery of Rs. 3-3-0 being the aggregate of short remittances observed and (2) non-production of increase and decrease statements for 1911-12 and 1912-13.

8. Dates of remittance to Treasury did not in two cases agree with those mentioned in the Municipal cash book, *vide* items Nos. 12 and 13 in the objection statement.

9. *Mohatarfa.*—The mohatarfa accounts of the Municipality during 1913-14 stood as follows :—

		Rs.	a.	p.
Arrears on 1st July 1913	...	559	15	5
Demand for 1913-14	...	454	15	7
Total	...	1,014	15	0
Collection during 1913-14	...	399	7	7
Arrears on 1st July 1914	...	615	7	5

The arrears shown in the demand, collection and balance statement were only 543-9-11. The discrepancy should be rectified.

No classwar and yearwar details were available for the amount of arrears of Rs. 615-7-5 of which Rs. 312-4-2 were however recovered to end of April 1915.

10. No notice register was maintained, and no notice was issued for the arrears of 1913-14.

11. A counterfoil receipt book and Kammi Jasti register for 1913-14 were not produced for audit. The non-production of these documents for audit was specially brought to the notice of the Vice-President in writing during the current audit, *vide* items Nos. 14 and 15 in the accompanying objection statement.

12. The goshwari statement for 1913-14 was not prepared correctly. Direct remittances to the Vice-President's office were not duly intimated to the Shanbhog for entry in the Khirdi, *vide* items Nos. 17 and 20 in the objection statement.

13. Original entry of amount collected was altered in one counterfoil from Rs. 4-0-8 to 2-0-8. This may be enquired into by the Vice-President, *vide* item No. 21 in the objection statement.

14. *Pound.*—Records connected with the sale of four heads of cattle were not produced for audit, *vide* item No. 26 in the objection statement.

15. *Public Works.*—While tracing the quantities of work done from measurement books into bills, it was found that the quantity of teakwood work of the musafirkhana at Hampapur (District Fund) was more in the bill than in the measurement book by $3\frac{5}{70}\frac{4}{4}$ c.ft. The rate per c.ft. being Rs. 3, the excess payment

amounts to Rs. 11-5-2. This should be recovered, *vide* item No. 23 in the objection statement.

16. *Deposits.*—The deposit accounts for 1913–14 stood as follows :—

	Rs.	as.	p.
Opening balance on 1st July 1913	356	12	0
Receipts during 1913–14 ...	71	1	6
Total ...	427	13	6
Repayments during 1913–14 ...	.....		
Closing balance on 30th June 1914	427	13	6

This agrees with the Vice-President's account. Details for this balance should be traced, and early steps taken to adjust the same.

17. *Imprest Account.*—Items of expenditure incurred since February 1914 remain yet unrecouped, *vide* item No. 24 in the objection, statement. Early steps should be taken to have the expenditure recouped.

18. *Service Books.*—Wrong age was entered in the Service book of Local Fund clerk Bhimasena Rao, *vide* item No. 22 in the objection statement.

19. *General.*—No petty cash book is yet maintained to record therein the receipt and disposal of cheques and moneys by the Vice-President, *vide* item No. 27 in the objection statement.

B. SRINIVASA IYENGAR,
Assistant Comptroller, and Officer in charge, Local Audit Dept.

GPB—12-27-7 15

Audit Note of the Accounts of the Yedatore Municipality for 1913-14.

This is a Non-regulation Municipality.

Name of Chief Auditor.—Mr. A. Narasimhamurti.

Name of Assistant Auditor.—M. K. Krishnaswamiengar.

Date of Commencement of Audit.—23rd April 1915.

Date of Completion of Audit.—26th April 1915.

Period occupied.—Four days.

The last audit ended on the 30th June 1914 and was for the period from 1st July 1911 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—The imprest allowed to the Vice-President is Rs. 50. Balance of the imprest was counted on the 24th April 1915 and found to be Rs. 40-15-0 which agreed with the balance shown in the imprest account. The difference of Rs. 9-1-0 represents the amount spent as follows, but not yet recouped.

		Rs.	a.	p.
13-1-11	Seal for Taluk Court	5	5	0
4-10-12	Cart-hire for exhibition articles ...	2	0	0
8-10-12	Reward for killing snakes ...	0	8	0
31-5-13	Do ...	0	8	0
1-4-14	Gum bottles 2 ...	0	12	0
	Total ...	9	1	0

PART I—Action taken on the last Audit.

3. The audit note and objection statement for 1912-13 remained undisposed of in the Vice-President's office. The chief unremedied objections are however brought forward in the accompanying objection statement as items 1 to 4 A. The short recovery and short remittances of Rs. 2-4-9 under octroi noted in previous audit should be made good at once.

4. The Treasury credit certificates in the Octroi Registers for 1911-12 and 1912-13 were not obtained or modified, as the case may be, as pointed out in the objection statement, item No. 8.

PART II—Result of Current Audit.

5. The several objections noticed in audit are embodied in the accompanying objection statement as items 5 to 16, involving a recovery of Rs. 1-0-4 as follows.

		Rs.	a.	p.
Pounds	...	1	0	0
Octroi	....	0	0	4
Total	....	1	0	4

6. The financial condition of the Municipality for 1913-14 stood as follows :—

Particulars	Opening balance	Receipts	Total
	Rg. a. p	Rs. a. p.	Rs. a. p.
Municipal revenue ...	3,256 12 10	1,893 15 5	5,150 12 3
Public debt ...	—584 4 0	...	—584 4 0
Total ...	2,672 8 10	1,893 15 5	4,566 8 3

Particulars	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Municipal revenue ...	1,704 1 9	3,446 10 6
Public debt ..	.....	—584 4 0
Total ...	1,704 1 9	2,862 6 6

7. *Octroi.*—The original entries, in the counterfoil receipts, of quantity of articles on which duty was recovered, and of duty recovered were found altered, as in previous years; in a number of instances *vide* items Nos. 10 and 11 in the accompanying objection statement.

8. *Mohatarfa.*—The mohatarfa account of this Municipality for 1913-14 stood as follows :—

	Rs.	a.	p.
Opening arrears on 1st July 1913 ...	1,429	10	4
Demand for 1913-14 ...	1,045	5	7
Collection during 1913-14 ...	726	7	6
Balance on 1st July 1914 ...	1,748	8	5

The classwar and yearwar details for this sum are given below :—

Classwar details.

	Rs.	a.	p.
House tax	985	11	11
Shop tax	474	8	8
Cart tax	138	13	7
Oil-mill tax	101	6	3
Vacant site tax ...	48	0	0
Total ...	1,748	8	5

Yearwar details.

	Rs.	a.	p.
1899-00	29	12	5
1903-04	37	13	6
1904-05	22	8	8
1905-06	58	10	6
1906-07	45	1	1
1907-08	43	2	10
1908-09 ...	132	5	7
1909-10	151	6	7
1910-11	225	15	4
1911-12	125	3	7
1912-13	270	0	4
1913-14	606	8	0
Total ...	1,748	8	5

No notices were issued for recovery of these arrears and much less were any further coercive measures adopted. Collection of mohatarfa is evidently not satisfactory, as arrears are increasing year after year as follows :—

	Rs.	a.	p.
Arrears at end of 1910-11 ...	1,105	9	8
Do 1911-12 ...	1,238	3	9
Do 1912-13 ...	1,429	10	4
Do 1913-14 ...	1,748	8	5

Very early steps should be taken for the recovery of these heavy arrears amounting to over 170 per cent of the demand.

No serial number was given, as in the previous year, to the orders in the kammi jasti statement, so that they may be quoted in the khate for facility of reference, *vide* item No. 16 in the accompanying objection statement.

9. *Pound.*—Original entry of two bullocks was altered to as many calves in an impounding receipt, resulting in a short recovery of four annas, *vide* item No. 5 in the accompanying objection statement.

Fine of 0-0-6 each was recovered for young goats, 20 in number, involving a loss of 10 annas, *vide* items 6 to 8 in the accompanying objection statement.

In one case, receipt was issued for recovery of annas 12 against annas 10 brought to account and remitted to Treasury, *vide* item No. 9 in the accompanying objection statement.

10. *Deposits.*—There was no receipt nor repayment of deposit during 1913-14. The balance at credit of this account on the 1st July 1914 was Rs. 275-12-0 made up of only net sale proceeds of cattle brought on to this account from time to time. The objection raised during the previous audit as to why the amount was not adjusted to the credit of municipal revenue remained unattended to.

11. *Imprest Account.*—Items of expenditure incurred so far back as January 1911 and October 1912 remain yet unrecouped. Advances are made from the imprest for purposes other than those of the Municipality. Receipt and disposal of cheques and undisbursed salaries are also entered in the imprest account, *vide* items Nos. 12 to 14 in the objection statement. Advances should never be made from the imprest except for petty urgent expenses of the Municipality. Steps should be taken to obtain early recoupment of expenditure incurred. Receipt and disposal of cheques and other moneys by the Vice-President should be accounted for in the Petty Cash Book. No item of receipt except that for recoupment of imprest should be entered in the imprest account.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge of the Local
Audit Department.

GPB—12—27-7-15

Audit Note of the Accounts kept in the Office of the President, District Board, Mysore, for 1913-14.

Name of Chief Auditor.—Mr. A. Narasimha Murti (15th February 1915 to 9th March 1915.)

Name of Assistant Auditor.—M. K. Krishnaswamiengar (3rd March 1915 to 25th March 1915.)

Date of Commencement of Audit.—15th February 1915.

Date of Completion of Audit.—25th March 1915.

Period occupied (exclusive of holidays).—34 days (only one auditor working 28 days) against 28 days during the previous audit.

President—Mr. A. Subramhanya Iyer, B.A.

PART 1.—Action taken on the last audit.

The objections raised during previous audits, in respect of which no action has yet been taken are detailed in objection Statement No. 8 attached to this note. The most important of them are briefly alluded to hereunder.

(1) Want of sanction of Government for payment of Rs.3-8-0 in November 1911 on account of a year's subscription to the *Mysore Gazette.*

(2) Transfer from Muzrai to District Funds of Rs. 9-4-6 being the unspent balance of grants in connection with the cattle show at Maddur, as per G. O. No. 2467-9—L. B. 88-12-2 of the 23rd September 1912.

(3) Non-recovery of Rs. 72 paid in excess of salary admissible to Mr. M. V. Gangadhara Rao, Local Fund Head Clerk of the District Office.

(4) Non-recovery of 0-11-10 paid in excess of salary admissible to Krishnappa.

(5) Two payees' receipts amounting to Rs. 616 were not produced.

(6) One detailed contingent bill and one completion bill were not also produced.

PART II.—Result of Current Audit.

2. The books and accounts examined were the same as were audited during the last audit.

3. The financial condition of the District Board during 1913-14 was as follows :—

Particulars	Opening balance	Receipts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Revenue ...	1,30,109 14 11	1,75,[illegible]8 7 11	3,05,418 6 10
Public debt ...	4,828 11 0	5,009 15 5	9,838 10 5
Total ...	1,34,938 9 11	1,80,818 7 4	3,15,257 1 3

Particulars	Expenditure	Closing balance
	Rs. a. p.	Rs. a. p.
Revenue	1,70,704 10 8	1,34,713 12 2
Public debt	6,420 10 3	3,418 0 2
Total ...	1,77,125 4 11	1,38,131 12 4

4. The monthly accounts of the District Board were checked by the Finance Committee, as required by para 120 of the Local Board Rules.

5. The irregularities noticed in the course of audit are detailed in objection statements Nos. 1 to 7 appended to this note. But the most important of them are summarised below :—

(1) Overpayments amounting to Rs. 87-4-1 as detailed below :—

			Rs. a. p.
Establishment ...	...	...	70 0 4
Contingencies—			
(a) Supply of vessels to musafirkhanas	... 0 3 1		
(b) Potgi	... 0 7 2		
(c) Pound commission	... 2 0 5		
			2 10 8
Public works ...	...	...	14 9 1
		Total ...	87 4 1

(2) Want of 36 payees' receipts for sums amounting to Rs. 2,160-13-8.

(3) Want of six completion bills for sums aggregating Rs. 953-2-7.

(4) Want of two nominal rolls amounting to Rs. 20-12-0.

(5) Disbursement from District Funds of pay amounting to Rs. 101-9-10 to officials of the Local Fund Branch acting in appointments paid from General Revenues, only their officiating allowance being drawn from the latter fund.

(6) Non-recovery from General Revenues of Rs. 6-3-10 being the proportionate leave allowance of a clerk of the Local Fund Branch of the Deputy Commissioner's office.

(7) Want of sanction of Government in the following cases :—

	Rs.	a.	p.
Contribution to Vaidyasala ...	110	0	0
Supply of furniture and vessels to musafirkhanas ...	3,724	1	3
Deviations under Public Works ...	652	2	5
Total ...	4,486	3	8

6. *Establishment.*—In spite of the objections raised during previous audits, Mr. M. V. Gangadhara Rau, Local Fund Head Clerk continues to be paid his salary as such, as if the salary he drew as Officiating Sheristedar were his *pay*, and no attempt has yet been made to recover the amounts objected to during previous audits on this account. The excess payments made similarly during 1913-14 amounted to Rs. 72. It is requested that necessary action may be kindly taken at an early date to recover the overpayments and to pay Mr. M. V. Gangadhara Rau only such amount hereafter as he is entitled to under the rules.

7. Want of sufficient details in establishment pay bills, such as the nature of duty to which the permanent incumbents are deputed, the substantive appointment and pay of locum tenens, baffles any attempt to exercise an effective scrutiny on the bills. Absentee lists in which these particulars are to be furnished are either not attached to the bills or prepared incompletely.

8. Absentee lists were prepared only in respect of men absent on leave. This is not correct. The lists should be prepared for all absentees as defined in Article 4 of the Mysore Service Regulations. Special attention is invited to the instructions printed on the form of absentee lists, and it is requested that the instructions may be closely followed in preparing the lists.

9. In some cases, last pay certificates were wanting. In the case of transfers from one Local Fund to the other, information as to whether the transfer was intimated to the Comptroller, was not noted in the bills.

10. Five sweepers at Rs. 4 each per mensem have been sanctioned by Government for the Arekere Union, while four sweepers at Rs. 5 each per mensem are actually entertained. This deviation requires the sanction of Government, *vide* item No. 4 in objection statement No. 4.

11. In the course of audit of pay bills of Sanitary Inspectors, it was observed that they did not submit their proposals for further insurance as their pay was increased, and yet the certificate on this account in the bills was signed as a matter of mere formality, vide items Nos. 12 to 14 in objection statement No. 4.

12. *Contingencies.*—Besides the overpayments amounting to Rs. 2-10-8 due to wrong calculations under this Head, there is one grave irregularity which has to be referred to here. Under para 155 (2) of the Local Board Rules, the sanction of Government is necessary to the purchase of vessels and furniture for 3rd class travellers' bungalows and musafirkhanas at a cost exceeding Rs. 100 at one time. During the year under audit, furniture and vessels costing more than Rs. 100 at one time and amounting to Rs. 3,724-1-3 in all were supplied to the travellers' bungalows and musafirkhanas, without obtaining the sanction of Government required by the rules. The necessary sanction should now be obtained.

13. Vouchers under rupees ten each are not preserved for audit, but destroyed as per certificate in the detailed contingent bills. As the audit is now conducted locally, it is suggested that all vouchers may be produced for such audit. Attention is, in this connection, invited to form No. 9 appended to the revised Local Board Rules, wherein the certificate regarding the destruction of vouchers under Rs. 10 is omitted.

14. In the contingent register maintained in the Local Fund Branch of the Deputy Commissioner's office, columns are not opened for shewing budget provision in order to watch the progress of expenditure under each sub-Head.

15. *Public Works.*—The recorded outlay under this Head was only Rs. 24,057-3-1 against the budget grant of Rs. 61,574, and there was a considerable lapse of over Rs. 38,000.

16. Besides the overpayments amounting to Rs. 14 9-1 due to wrong calculations in bills, deviations costing Rs. 652-2-5 were carried out without obtaining the sanction of Government required by the rules.

17. No register of measurements is yet opened. The old schedule of rates is not yet revised.

18. No measurement book was produced for audit.

19. In the payees' receipts of more than Rs. 20 obtained in satisfaction o Public Works claims of the Mysore Talul for June 1914, note was made that the connected cheques had been duly stamped when cashing them at the Treasury, This procedure is not correct. As cheques issued on Government Treasuries by Presidents of District Boards in favour of Amildars or *others* are exempt from stamp duty under G. O. No. 5606-14—Fl. 558 of the 13th December 1897 (*vide* clause IV para 18, Vol. I of the Mysore Treasury Manual), payees' receipts obtained in respect of payment of more than Rs. 20, should always be duly stamped (*vide* item No. 33 in objection statement No. 6).

20. The Government sanctioned in their Order No. 9909-10—L. B. 377-05-2 of the 26th March 1906, an estimate amounting to Rs. 10,932 for constructing a market line in the Attigode Sante site. Outlay incurred to end of June 1913 was Rs. 4,713-6-3, and a remark was found in the statement of incomplete works of 1912-13 to be carried out in 1913-14 to the effect th t the remaining work was abandoned. A sum of Rs. 871-9-3 was nevertheless spent on the work during 1913-14. This should be explained.

21. *Deposits.*—Net sale proceeds of stray cattle which form generally deposit items are, as a rule, adjusted in the District Office to the credit of the revenue head concerned, immediately after the lapse of three months, without previously making enquiries of the Amildars as to whether any claims are preferred for the same within the three months prescribed. This resulted in the payment, in one case, of the full net sale proceeds to the claimant, besides commission thereon to the Pound-keeper, involving an overpayment of Rs. 2-0-2. Payment of Rs. 2-0-2 made to the Pound-keeper was irregular under G. O. No. 11190-9—Ml. 74-13-32 of the 9th May 1914, and should therefore be recovered. *Vide* item No. 16 in objection statement No. 5. In another case, the net sale proceeds refunded was reduced by the amount of commission already paid to the Pound-keeper. Though there has been no overpayment in this case, yet commission was paid to the Pound-keeper who was not entitled to it, while the owner of cattle got correspondingly less than the amount he was entitled to. Such mistakes would not have occurred, if, before adjusting the items to the revenue head, enquiry had been made as to whether any claims were preferred or not within three months,

and the items so claimed had been left at credit of the deposit account till adjusted by refund to the claimant or credit to revenue as the case may be.

22. *Cheques.*—The stock register of cheque books has not columns provided therein separately for balances and receipts. Separate columns should be opened for the purrose. Some cheques were cashed in the Treasury without obtaining acknowledgment of payees *vide* objection statement No. 2.

23. *Stationery and Forms.*—No account is yet kept of books and forms. This should be kept in future.

B. SRINIVASA IYENGAR,
Assistant Controller
and Officer in Charge of
Local Audit Department.

GPB -12—29-6-15

Note on the Audit of the Municipal Accounts of the President's office, Bangalore District for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—K. V. Narayan Iyengar.

Date of Commencement of Audit.—24th February 1915.

Date of Completion of Audit.—22nd March 1915.

Period occupied (excepting holidays).—22 days in current audit against last audit 29 days.

Names of President and Vice-President who held office during the period of audit.—

Period.	Name of President.
During 1913-14.	Mr. K. Chandy, B.A.

1. The last audit ended on 25th December 1913, and was for the period from 1st July 1912 to 30th June 1913. The present audit is for the period from 1st July 1913 to 30th June 1914.

PART I.—Action taken on the last Audit.

2. The last audit note sent to the President was returned to the Comptroller's office without remarks or replies of the President noted therein. The replies noted in the objection statement which accompanied the audit note only purported to show that references were made to the Vice-Presidents concerned on the points noticed. The audit note of 1912-13 and a list of outstanding items of objections are enclosed herein for remarks or replies being noted and returned at an early date after necessary action being taken in regard to them.

PART II.—Result of Current Audit

3. The result of the current audit is embodied in the accompanying objection statement containing serially numbered items 1 to 54 and only important points are referred to in the following paras.

4. During previous years the accounts of all the municipalities in the district were maintained in the District Office. Cheques were signed only by the Deputy Commissioner but in the course of the year 1913-14, the Revenue Sub-Division Officers of Closepet and Dodballapur were empowered to issue cheques and maintain accounts for the Regulation Municipalities within their jurisdiction, *viz.*

(1) Closepet Sub-Division Officer for Closepet and Channapatna Municipalities.

(2) Dodballapur Sub-Division Officer for Dodballapur, Anekal and Devanhalli Municipalities.

5. *Cheques and List of Cheques issued.*—Cheque books Nos. 878, 892 and 914 were shown to have been issued by the Deputy Commissioner-President during 1913-14, but the list of cheques issued was not being written up simultaneously with the issue of cheques. Monthly totals of cheques issued were not worked up and the list was not signed by the President.

6. Instances of cheques having been signed by officers other than the President contrary to Rule 390 of Municipal Account Manual, are shown in item No. 3 of the objection statement.

7. *List of Payments.*—The defects noticed in the preparation of the list of payments were:—Against each item entered in the list there was not one voucher passed for payment by the President. In one voucher the amounts of several bills which were paid by more than one cheque were included. Voucher numbers were noted sometimes on payees' receipts and sometimes on a bill and not on all the bills included in an item of the list of payments. In the absence of voucher numbers on each voucher, it would be difficult to identify the connected vouchers with items shown in the list. The column "date of payment" was not filled up and the list was not signed by the President.

8. *Vouchers paid.*—Each voucher paid did not bear a serial number denoted in the list of payments. The connected

records and payees' receipts were not attached to the vouchers concerned. The number and date of the cheque by means of which the amounts of bills were paid were not specified on them and whether a bill passed was payable by cheque or by cash out of imprest was not noted on it when passing the amount thereof. There was an instance in which a Municipal contingent bill was erroneously paid in the Treasury instead of being paid by the President by a cheque—*vide* item No. 46 of the objection statement.

9. Bills and payees' receipts numbering 65 and involving payments to the extent of Rs. 6,941-3-6 were wanting *vide* statement marked A appended hereto. Prompt measures for securing these documents and furnishing them for audit are necessary.

10. Amounts paid from Municipal Funds on account of coronation expenses were stated to have been accounted for to the Comptroller along with other grants from the General Revenues. The number and date of the reference in which they were accounted for to Comptroller was not pointed out. *Vide* items Nos. 19 and 37 of the objection statement. Amount objected to for recovery is Re. 0-6-5 as noted in item No. 48 of the objection statement. (*Vide* separate retrenchment slip issued.)

11. *Accounts.*—No accounts were maintained in the Deputy Commissioner-President's office to show the yearly transactions of receipts and expenditure of Municipalities and the initial accounts submitted by each Municipality through the office of the President were not scrutinised in the latter office. Several discrepancies noticed in the course of checking the cash accounts with reference to the cheques issued and the establishment bills paid are shown in the statements attached to objection statement with reference to item No. 54. The discrepancies were generally due to

(1) cheques issued in one month not having been embodied in the accounts of the same month.

(2) omission of the amounts of certain cheques altogether in the accounts.

(3) payments made out of imprests having been wrongly charged off in the accounts before cheques were obtained in recoupments of the imprest.

(4) Amounts shown in the establishment bills under fines and savings

were also erroneously charged on in the cash accounts.

12. Only the accounts of Closepet, Channapatna, Magadi and Hoskote were available for the complete year and all the discrepancies observed in those accounts relating to the year have been pointed out under receipts and payments in the statements attached. The reviewed cash accounts of the other Municipalities of the District from April to June 1914 (*viz.* Doddaballapur, Nelamangala, Tyamagondlu, Kankanhalli, Anekal, Sarjapur, Devanhalli and Vadigenhalli) which had been returned to the Vice-Presidents of Municipalities for noting the corrections made in the Comptroller's office had not been received back in time. The discrepancies noticed in respect of these Municipalities related only up to the end of March 1914. It is desirable that instructions should be issued to the Vice-Presidents of Municipalities to rectify the errors pointed out and to avoid similar errors in future.

13. *Other defects noticed.*—The deposit account maintained in previous years was not continued to be written up during 1913-14. Estimates, measurement books and completion certificates were not produced in cases noted in items Nos. 43 to 45 of the objection statement. Measurement books of completed works were not called for and filed in the President's office.

14. The full amounts provided for in the budget under the following heads were paid by adjustment:—

(1) Head office charges, contingencies and travelling allowances.

(2) Taluk office contingencies and travelling allowances.

(3) House rent, contingencies, dieting, bedding, etc., charges of Local Fund Dispensaries.

(4) Rewards for extra labour cases, travelling allowances, midwives' articles, under midwives and maternity charges.

15. Contributions from the Municipalities of Hoskote, Nelamangala, Tyamagondlu, Kankanhalli and Magadi were not paid on account of country medicines.

16. Contributions from the Closepet and Channapatna Municipalities have not been paid for 1913-14 under any heads pointed above.

17. *Cheques uncashed.*—Amounts of uncashed cheques at the end of June 1914 was Rs. 8,855-5-7, as noted below:—

Outstanding cheques at the end of 1912-13.—							
Rs.	6,471	14	2	as per previous audit note, para 17.			
„	13	2	7	of cheque No. 76—89, dated 24th November 1911, redated and cashed in July 1913 which was not in Rs. 6,471-14-2.	Rs.	6,485	0 9
				Brought forward	Rs.	6,485	0 9
Add amount of cheques issued during 1913-14 ...					„	21,592	8 7
					„	28,077	9 4
Deduct amount of cheques cashed in 1913-14					„	19,222	3 9
Cheques uncashed on 30th June 1914						8,855	5 7

the details of which are given in Statement B.

18. As the cash accounts of several Municipalities from April to June 1914 were not available as noticed above a statement of the yearly transactions could not be prepared and attached hereto.

B. SREENIVASA IYENGAR,
Assistant Comptroller, and Officer in charge of Local Audit Dept.

STATEMENT A.

Statement showing the want of Payees' receipts and vouchers with or without payees' receipts.

No. of item in the objection statement	Voucher No.	Date	Want of bills and payees' receipts	Want of bills only	Want of payees' receipts only	Name of the Municipality to which the item relates	Remarks
			Rs. a. p.	Rs. a. p.	Rs. a. p.		
9	1	July 13 ..	25 8 0	0 4 0	.....	Hoskote	
12	6	August ...	7 13 3	.....	.....	Kankanhalli	
13	6	Do ...	68 5 5	.....	1 12 0	Do	
14	12 and 13	Do ...	891 12 9	.....	195 12 4	Channapatna	
15	14	Do ...	54 15 0	.....	321 10 2	Anekal	
16	15	Do ...	480 15 4	.....	40 12 6	Sarjapur	
17	19	Do ...	.....	.....	13 0 0	Vadigenhalli	
18	4	September ...	123 14 10	.....	40 0 0	Tyamagondlu	
20	9	Do ...	.....	.....	20 0 0	Channapatna	
21	2	October ...	.....	183 0 0	.....	Dodballapur	
24	7	De ...	69 12 0	.....	.....	Magadi	
25	5	November ...	.....	.....	51 1 7	Kankanhalli	
26	9	Do ...	74 8 0	.....	104 8 11	Magadi	
28	1	January 14 ...	.....	28 8 0	.....	Hoskote	
29	5	Do ...	.....	66 8 0	.....	Magadi	
30	1	February ...	.....	28 8 0	.....	Hoskote	
31	4	Do ...	.....	23 4 0	.....	Magadi	
32	1	March 14 ...	.....	28 8 0	5 0 0	Hoskote	
33	2	Do ...	16 4 0	.....	.....	Nelamangala	
34	3	Do ...	13 11 0	.....	.....	Tyamagondlu	
35	5	Do ...	0 12 0	4 0 0	.....	Magadi	
36	1	April ...	5 14 0	.....	.....	Hoskote	
38	1	May 14 ...	.....	51 0 0	.....	Vadigenhalli	
40	4	June 14 ...	24 7 0	.....	.....	Nelamangala	
41	7	Do ...	18 1 5	.....	22 4 0	Kankanhalli	
42	9 vrs.	of July 13 ...	223 8 3			Vouchers Nos. 5 to 9 and 11 to 14.	
	7 ,,	August 13 ...	945 15 4			Vouchers Nos. 7 to 10 and 15 to 18.	
	3 ,,	September 13 ...	420 8 1			Voucher Nos. 1, 2 and 8.	
	1 ,,	October 13 ...	56 13 2			,, 6	
	5 ,,	November 13 ...	423 12 1	.....	.....	,, 1, 6 to 8 and 15.	
	1 ,,	March 14 ...	4 0 2			Voucher No. 6	
	2 ,,	of April 14 ...	66 0 3			,, 2 and 7	
	1 ,,	May 14 ...	15 12 0			,, 3	
	11 ,,	June 14 ...	1,575 11 8			,, 1 to 3, 5, 6, 8 to 10, 13 to 15.	
		Total ...	5,723 14 0	423 8 0	813 13 6		
				6,941 3 6			

Vide over leaf for details.

Details for item No. 42.

Voucher No.	Month	Name of Municipality	Amount
			Rs. a. p.
5	July 13 ...	Magadi	25 0 0
6	...	.....	32 8 0
7	...	Closepet	15 0 0
8	...	Channapatna ...	120 5 6
9	...	Anekal	25 3 10
11	...	Devanhalli ...	45 0 0
12	...	Do ...	18 1 0
13	...	Do ...	10 0 0
14	...	Vadigenhalli ...	17 5 11
7	August 13 ...	Magadi	146 15 5
8	...	Do ...	53 9 6
9	...	Do ...	235 2 11
10	...	.....	86 11 0
16	...	Devanhalli ...	18 14 10
17	...	Do ...	110 14 4
18	...	Do ...	343 11 4
1	September 13 ...	Hoskote	57 0 0
2	Do ...	Dodballapur ...	253 8 1
8	...	Channapatna ...	124 0 0
6	October 13 ...	Kankanhalli ...	56 13 2
1	November 13 ...	Hoskote ...	157 5 5
6	Do ...	Kankanhalli ...	50 0 0
7	Do ...	Magadi	159 4 0
8	...	Do ...	23 5 6
15	Do ...	Vadigenhalli ...	33 13 2
6	March 14 ...	Do ...	4 0 2
2	April 14 ...	Nelamangala ...	29 10 3
7	Do ...	Magadi	36 6 0
3	May 14 ...	Vadigenhalli ...	15 12 0
1	June 14 ...	Hoskote	22 8 0
2	Do ...	Nelamangala ...	195 6 2
3	Do ...	Do ...	95 0 0
5	Do ...	Tyamagondlu ...	242 8 6
6	Do ...	Do ...	90 5 0
8	Do ...	Magadi	72 12 0
9	Do ...	Sarjapur	414 2 7
10	Do ...	Do ...	55 5 9
13	Do ...	Vadigenhalli ...	175 12 9
14	Do ...	Do ...	87 2 11
15	Do ...	Do ...	124 12 0

STATEMENT B.

Cheque No.	Date	Amount		
		Rs.	a.	p.
110	18th June 1913	115	0	0
123	30th June 1913	63	0	0
124	Do	3,729	0	0
125	Do	2,979	0	0
91	16th May 1913	13	0	0
63	19th May 1914	13	8	0
65	19th June 1914	197	0	3
69	30th June 1914	26	6	8
70	Do	122	0	0
26	27th June 1914	20	0	0
30	30th June 1914	134	9	6
118 / 5	20th June 1914	135	6	2
134 / 21	30th June 1914	24	7	0
136 / 23	30th June 1914	95	0	0
111 / 98	11th June 1914	11	0	0
125 / 12	24th June 1914	11	0	0
129 / 16	26th June 1914	57	5	0
135 / 22	30th June 1914	242	8	6
138-25	30th June 1914	11	0	0
18	25th June 1914	117	0	0
19	Do	102	0	3
28	29th June 1914	253	15	1
29	Do	45	9	6
124 / 11	20th June 1914	13	8	0
125 / 13	26th June 1914	175	12	9
127 / 14	Do	87	2	11
128 / 15	Do	103	4	0
130 / 14	Do	18	5	8
113 / 100	11th June 1914	27	6	0
131 / 18	28th June 1914	17	15	9
137 / 21	30th June 1914	411	2	7
	Total ...	8,825	5	7

GPB—12—28.8.15

Note on the Audit of the Accounts of the Municipality of Channapatna.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.— K. V. Naraniengar.

Date of Commencement of Audit.—14th May 1915.

Date of Completion of Audit.—21st May 1915.

Period occupied (excepting holidays).—7 days in current audit against last audit 8 days.

This is the 3rd time that the accounts were audited locally and the last audit ended on 20th January 1914 and was for the period from 1st July 1912 to 30th June 1913. The present audit is for the period from 1st July 1913 to the end of June 1914.

3. *Check of Cash Balance.*—The imprest cash on hand was examined on 21st May 1915 and it was found to be Re. 1-5-7 out of Rs. 50 the amount of imprest held by the Vice-President. The balance of Rs. 48-10-5 was accounted for thus :—

(i) Rs. 7-8-0 due to be recouped out of Rs. 10-8-0 paid on 16th July 1913 for contingent expenses.

(ii) Re. 0-4-0 paid on 3rd March 1914 for killing a snake.

(iii) Re. 0-14-6 out of Rs. 16-0-0 advanced on 11th June 1914 to shroff for taking remittances to Bangalore, Rs. 15-1-6 was recouped and Re. 0-14-6 is yet to be recouped.

(iv) Rs. 6-15-0 paid on 21st August 1914 for purchasing rubber stamps, books, from Messrs. Ponnu & Company, Madras, and Higginbotham & Company, Bangalore.

(v) Re. 0-4-0 paid on 31st October 1914 for reward for killing snakes.

(vi) Re. 0-4-0 paid on 3rd November 1914 for reward for killing snakes.

(vii) Re. 0-4-0 paid on 23rd November 1914 for reward for killing snakes.

(viii) Re. 0-4-0 paid on 30th November 1914 for reward for killing snakes.

(x) Re. 0-4-0 paid on 22nd September 1914 for reward for killing snakes.

(x) Rs. 10-0-0 paid on 5th September 1914 for conservancy contingent charges.

(xi) Rs. 6-14-0 paid on 25th November 1914 for purchasing Strychnine for killing stray dogs to the Sub-Assistant Surgeon.

(xii) Re. 0-12-2 paid on 3rd April 1915 on account of postage and insurance charges incurred for remitting Rs. 415-2-0 to Messrs. Ponnu & Company, Madras.

(xiii) Rs. 3-10-9 paid on 19th April 1915 being charges incurred in removing a patient to E. D. Hospital, Bangalore.

(xiv) Re. 0-4-0 paid on 6th May 1915 as reward for killing a snake.

(xv) Rs. 10-0-0 paid on 30th April 1915 to Kodandarama Mudaliar, contractor for numbering houses in the Municipality.

(xvi) Re. 0-4-0 paid on 12th April 1915 as reward for killing snake.
Total Rs. 48-10-5.

But in the imprest cash book maintained by the Local Fund clerk, the balance shown was Re. 1-8-1 instead of Re. 1-5-7 the difference of Re. 0-2-6 between the cash on hand and the amount shown as balance in the imprest book being apparently due to item No. (iii) viz., 0-14-6 not having been taken into account in the imprest cash book and a sum of annas 12 being rewards paid for killing snakes on 23rd June 1914 and 30th June 1914 Re. 0-8-0, having been paid out of District Fund imprest.

PART I.—Action taken on the last Audit.

3 The audit note with the objection statement for the year 1912-13 forwarded to the Vice-President with the President's No. 1566-7, dated 11th April 1914, was pending disposal in the Taluk Office till the close of audit.

4 Objections of previous years noticed in the audit note of 1912-13 and remaining outstanding are brought on in the objection statement attached hereto as items 1 to 14.

PART II.—Results of Current Audit.

5 The accounts of this Municipality for the year 1913-14 opened with a balance of Rs. 12,587-12-2, and closed with Rs. 15,075-3-7, the receipts and expenditure during the year being Rs. 8,865-7-10 and Rs. 5,351-0-5 respectively. The closing balance is much in excess of the prescribed

	Sukrawarpet			Fort			Mangalwarpet			Gendamadu			Thattakere			Kottanahalli			Total		
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.
Opening arrears of mohatarfa on 1-7-13	879	5	6	105	11	9	463	10	8	113	10	0	50	8	0	479	10	0	2,092	7	11
Demand for 1913-14 ..	3,203	12	0	471	8	0	522	0	0	157	8	0	83	0	0	392	8	0	4,830	4	0
Total demand including arrears	4,083	1	6	577	3	9	985	10	8	271	2	0	133	8	0	872	2	0	6,922	11	11
Collection during 1913-14	2,717	2	10	275	1	5	272	0	7	80	0	8	83	0	0	329 (1)	12	0	3,757	1	6
Closing arrears on 30-6-14 ...	1,365	14	8	302	2	4	713	10	1	191	1	4	50	8	0	542	6	0	3,165	10	5

(1) Of this Rs. 9-12-0 has not been taken to khata not knowing to which khata numbers it related.

The number of defaulters in the 1st four firkas were about 730, while the notices issued were only 63 and even in those cases the further action taken was not pointed out.

In the case of arrears of the last two firkas, *viz.*, Thattakere and Kottanahalli, it was pointed out in para 12 of the last audit note, that the kulwar arrears at the end of 1911-12 could not be ascertained as the shanbhog Prabhakariah had absconded and khate, etc., for the year 1910-11 and 1911-12 were not available. The balance of arrears on 30th June 1914 was as per accounts Rs. 542-6-0 in the case of Kottanahalli and Rs. 50-8-0 in the case of Thattekere. But the details of Bakipatti produced showed only Rs. 265-12-0 and Rs. 15 respectively which are the outstanding arrears of demand items of 1912-13 and 1913-14 only.

8. *General Remarks*, (*a*) *Cash Book.* — The cash book maintained was not in the form prescribed by the rules. The new form 98 supplied should be used and the instructions contained in rules 382-55 regarding the correct method of writing up the cash book should be followed.

(*b*) No miscellaneous demand register was maintained to watch the recovery of special demands for the examination of the sale records showed that 4 hand carts were sold for Rs. 8, of which Rs. 6 were credited on 23rd September 1913. When the remaining sum of Rs. 2 was recovered and credited, was not pointed out, *vide* item No. 31 of the objection statement.

(*c*) *Monthly Accounts.*—The differences noticed between the cash account and the District Treasury plus and minus memo of the Municipal receipts during 1913-14 are detailed in statement A. The differences of Re. 0-10-0 shown in excess in the Treasury plus and minus memo for November 1913 and of Rs. 188-0-10 shown less in the same account were not explained.

In the statement B is shown the discrepancies found in the figures of the cash account submitted to Comptroller's Office and reviewed by that office.

(*a*) A sum of Rs. 248-7-6 has been shown in the accounts for July 1913 under Public Works repairs without a cheque issued therefor in the month. This should be explained. Rs. 152-0-0 instead of Rs. 150-2-0 drawn on account of conservancy establishment is charged in the accounts for July 1913, resulting in an excess charge of Re. 1-14-0.

(*b*) Amount drawn as per bill of conservancy establishment is Rs. 152-0-0 and not Rs. 151-13-2 as shown in the accounts for August 1913.

The above differences should be rectified.

B. SRINIVASA IYENGAR,
Assistant Comptroller and Officer in charge, Local Audit Dept.

GPE—12—3-7-15

Note on the Audit of the Accounts of the Municipality of Sarjapur in the Bangalore District for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K. V. Naraniengar.

Date of Commencement of Audit.—2nd May 1915.

Date of Completion of Audit.—3rd May 1915.

Period occupied.—2 days in current audit against last audit 3 days.

Names of President and Vice-President who held office during the period of audit.

Period.—During 1913-14.

Name of President.—Mr. K. Chandy, B.A.

Name of Vice-President.—Mr. P. Gopala Raj Urs, B.A., from 1st July 1913 to 19th February 1914, Taluk Sheristadar was in charge from 8th February 1914 to 11th March 1914. N. Gopalakrishna Iyengar, B.A., B.L., from 12th March 1914 to the date of audit.

1. This is the 3rd time that the accounts were audited locally and the last audit ended on 9th March 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—Out of Rs. 50 being the amount of permanent advance held by the Vice-President, Rs. 4-4-8 was the cash on hand when examined on 6th May 1915 and the balance of Rs. 45-11-4 was accounted for as below :—

Rs.	a.	p.		
4	6	8	paid on 30th June 1905	} but not yet recouped.
1	4	8	paid on 27th December 1905	
40	0	0	paid on 27th April 1915, for a village improvement work at Gerasiganabele.	
45	11	4		

The first two items are of nearly ten years' standing and require early attention.

The 3rd item apparently has no connection with the Municipality, and the utilisation of the Municipal imprest for the purpose is irregular.

PART I.—Action taken on the last Audit.

3. The last audit note forwarded to the Amildar with President's No. 1672, dated 24th April 1914, was pending disposal in the Taluk Office.

The short recovery of Rs. 15-10-6 noticed in para 3 (2) of the last audit note was not rectified.

PART II.—Result of Current Audit.

4. The accounts of this Municipality opened with a balance of Rs. 2,360-13-6 and closed with Rs. 2,260-13-6, the receipts and expenditure for the year (1913-14) being respectively Rs. 1,764-2-3 and Rs. 1,500-7-10.

5. *Mohatarfa Account.*—The collection of mohatarfa dues in this Municipality was satisfactory. There was no arrears either at the beginning or at the end of the year and the demand and collection were Rs. 1,068.

6. *General Remarks.*—A register showing the deposit transactions was not maintained. Attention of the Vice-President is drawn to Articles 365 to 371 of the Municipal Account Manual.

In the monthly accounts submitted to Comptroller for 1913-14, there were several discrepancies as pointed out in statements A and B, and these may be got rectified as indicated therein.

B. SREENIVASIENGAR,

Asst. Comptroller and Officer in charge of Local Audit Department.

GPB—12—24-7-15

Note on the Audit of the Accounts of the Municipality of Magadi.

Name of Senior Auditor.—Mr. C. Kesavachar

Name of Assistant Auditor.—K. V. Narain Iyengar.

Date of Commencement of Audit.—1st June 1915.

Date of Completion of Audit.—4th June 1915.

Period occupied.—4 days in current audit against last audit 4 days.

The last audit ended on 31st January 1914 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The imprest held by the Vice-President was Rs. 50 and the cash on hand on 4-6-1915, was Rs. 8-12-0 and the balance was accounted for as noted below as per imprest account :—

Particulars of payment	Amount paid	Date of payment
	Rs. a. p.	
1. Paid to Abdul Kudus as advance for purchasing glass panes, etc., for repairing the lanterns	8 0 0	16-1-1915
2. Paid to Ramsing as reward for killing a snake.	0 4 0	Do
3. Paid to Shamanna, retired Shekdar and Contractor of Tirumale for sinking a well in the bed of Kotikatte	15 0 0	11-3-1915
4. Paid to Venkataramaih Assistant Sanitary Inspector for payment to the coolies engaged in repairing road from Tirumale to Hosapet...	10 0 0	18-3-1915
5. Paid to Hale Ranga and Cheluvegowda, conservancy Contractors being cart-hire for December 1914 to January 1915	8 0 0	7-5-1915
Total ...	41 4 0	

The items from 1 to 4 are long standing and should be recouped early.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

2. The last audit note received in the Taluk Office with the President's No. 1766, dated 9th May 1914, was stated to have been returned to the President on 13th February 1915 with replies of the Vice-President.

Objections of previous years yet outstanding are shown in the accompanying objection statement in items No. 1 to 5 of which, items 3 to 5 shew wrong classifi-

cation of accounts in the Treasury. The information as to whether the necessary transfers were effected in the Treasury account subsequently was not available in the Taluk Office.

PART II.—Result of Current Audit.

3. The accounts of this Municipality for the year 1913-14 opened with a balance of Rs. 2,593-11-5 and closed with Rs. 2,744-6-2, and the receipts and expenditure during the year being Rs. 3,290-3-8 and Rs. 3,139-8-11 respectively.

The result of the current audit is embodied in the accompanying statement of objections items No. 6 to 24 and the more important of them are referred to in this audit note

Octroi Accounts.—A short collection of Re. 0-2-10 in recovering octroi duty on piece goods was noticed and it should be recovered and credited to Municipal Funds. *Vide* item No. 6 of the objection statement.

The duplicate copies of invoices that were not produced for audit are noted in item No. 7 of objection statement.

In the invoices filed no certificate to say that it is true copy of the original was not obtained under the signature of the merchant. Vide item No. 9 of objection statement.

5. *Mohatarfa Accounts.*—In the khate of 1913-14 as well as in the demand, collection and balance account the demands were entered in accordance with the revised rate of assessment under house tax, but as pointed out in the previous audit note the revision was not given effect for want of sanction of competent authority, and the Municipality has been losing a considerable amount of revenue every year. The kulwar demand, collection and balances shown in the bakijatta at the end of 1913-14 and the khate of 1914-15 were written up in accordance with the old rates of assessment.

The opening and closing arrears of mohatarfa for 1913-14 were Rs 610-4-3 and Rs. 1,303-6-9 respectively, the demand and collection being Rs. 2,421-12-0 and Rs. 1,728-9-6.

In para 12 of the last audit note, a sum of Rs. 620-0-3 instead of Rs. 610-4-3 was shown to be arrears outstanding on 30th June 1913, and the difference of Rs. 9-12-0 was due to a sum of Rs. 18-2-6 having been taken as an excess collection calculated on the revised rate of assess-

ment instead of Rs. 8-6-0 being the excess collection calculated on the old rates.

From the entries in the Thanikepatti (the register of increases and decreases in mohatarfa tax), it was observed that Jamabandi of 1913-14 was commenced on 21st June 1914 and ended on 18th September 1914. This procedure does not enable the Municipal subordinates to know the correct kulwar demand for the year and to recover the same before end of the official year.

The arrears of mohatarfa at the end of 1913-14 were more than double of what they were on the corresponding period of the previous year and the number of defaulters also increased from 331 to 470 and yet no prompt action was shown to have been taken in reducing the arrears.

6. *Monthly Cash Account.*—Two statements marked A and B are annexed to this audit note. One shows the difference between the monthly credits shown in the cash account and the Treasury plus and minus memo and in the other statement the several discrepancies and errors noticed on the expenditure side of the cash account are explained.

B. SREENIVASA IYENGAR,

Assistant Comptroller and Officer in charge, Local Audit Department.

GPB—12—28-7-15

Note on the Audit of the Accounts of the Municipality of Kankanhalli for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K.V. Naraniengar.

Date of Commencement of Audit.—10th May 1915.

Date of Completion of Audit.—13th May 1915.

Period occupied.—Four days in current audit against last audit 4 days.

Names of President and Vice-President who held office during the period of audit:—

Period.—During 1913-14.

Name of President.—Mr. K. Chandy.

Names of Vice-Presidents.—Mr. C. Srinivasa Rao, from 1st July to 18th October 1913.

Mr. S. Chakrapani Iyengar, B.A., B.L., from 19th October to 5th June 1914.

Mr. A. J. Donne, from 15th June 1914 to date of audit.

Mr. L. Narayan Rao, Taluk Sheristadar, being in charge from 6th to 14th June 1914.

This is the 3rd time that the accounts were audited locally and the last audit ended on 10th January 1914 and was for the period from 1st July 1912 to 30th June 1913. The present audit is for the period from 1st July 1913 to the end of June 1914.

2. *Check of Cash Balance.*—The Municipal imprest held by the Vice-President is Rs. 50 and the imprest cash when examined on 12th May 1915 was Rs. 32-4-7 and the balance of Rs. 17-11-5 had to be recouped as per imprest account kept.

PART I.—Action taken on the last Audit.

3. The objections raised in the last audit were explained away except that it was not pointed out when the sum of Rs. 2-8-0 remitted to the Taluk Treasury on 30th August 1911 on account of pound collections and wrongly credited to District Funds was adjusted.

(*Vide* item No. 15 of last year's Audit Note.)

PART II.—Result of Current Audit.

4. The accounts of this Municipality for the year 1913-14 opened with a minus balance of Rs. 1,130-5-11 and closed with a plus balance of Rs. 68-15-10.

The deficit balance at the beginning of the year was made good chiefly by the increase of Revenue due to (1) the revision of house and mohatarfa taxes having been sanctioned and brought into effect from the year 1913-14; (2) to the collection of fees freshly levied on carts, animal and head loads and on sheep as per margin sanctioned in Government Order No. 6264-5—Mi. 143-13-4, dated 18th December 1910, which was given effect to from 15th January 1914 and also (3) to increase in the Octroi Revenue during the year.

1 anna on each cart-load.
6 pies on each animal load.
3 pies on each head load.
1 anna on each sheep.

5. The irregularities noticed in audit are shown in the accompanying statement of objections and important points are referred to below.

6. *Mohatarfa.*—The demand, collection and arrear balances of Mohatarfa Revenue for the year 1913-14 were—

Arrear as it stood on 1st July 1913 was Rs. 326-9-5.

Demand for 1913-14 Rs. 2,006-0-0.

2,332-9-5.

Collection during 1913-14. Rs. 1,975-14-7.

Arrears on 30th June 1914, Rs. 356-10-10, of which only Rs. 42-12-0 had been collected during the current year prior to date of audit.

As per Bakipatti produced about 97 persons were defaulters and no action was shown to have been taken to collect the arrears.

7. *Octroi.*—The defects observed were:—

(i) Counterfoil receipt books issued from 29th August 1913 to 5th September 1913 and from 25th June 1914 to 30th June 1914 were not produced for audit.

(ii) The duplicates of invoices produced on account of piece-goods were not certified to by the merchants as true copies of the originals nor a note of having been compared with the original was made on all the duplicate patti produced.

(iii) The undermentioned short recoveries were noticed :—

Rs. a. p.

0- 1-3 being total amount of short recovery as per details given in item No. 2 of the objection statement.

0-12-4 being total amount of short recovery as per details given in item No. 5 of the objection statement.

0-13-7

8. *General Remarks.—Deposit Register.*—(1) No separate register was maintained to show the transactions of the Municipal Deposits. The items of Municipal Deposits were mixed up with those of District Funds. The details of outstanding balances at the beginning of each year were not specified in the Deposit Register. *Vide* Rules 365 to 371 of the Municipal Account Manual.

(2) *Public Debt Balance.*—From the details available, the sum of the Municipal Deposit items of previous years outstanding at the end of 1912-13 amounted to Rs. 125-14-0. Deducting Rs. 100, being the amount of permanent advance the public debt balance was Rs. 25-14-0 but in the accounts of 1912-13, the closing public debt balance is shown to be Rs. 30-14-0. The details for the difference of Rs. 5 should be traced.

(3) *Monthly Accounts.*—The sum of Rs. 100 being the amount of permanent advance held by the Vice-President was refunded on 22nd September 1913 and Rs. 50 was drawn therefor by cheque No. 59—46, dated 17th November 1913. These transactions have been omitted to be shown in the Municipal monthly accounts and will have to be adjusted in the accounts of the current year.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge of the Local
Audit Department.

GPB—15—28-7-15

Note on the Audit of the Account of the Municipality of Dodballapur.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—K. V Naraniengar.

Date of Commencement of Audit.—17th April 15.

Date of Completion of Audit.—20th April 15.

Period occupied.—4 days in current audit against last audit 5 days.

Name of President and Vice-President who held office during the period of audit.—

Period.—During year 1913-14.

Name of President.—Mr. K. Chandy.

Name of Vice-President.—Mr. A. Krishna Urs from 1st to 5th July 1913. Mohumad Syed Sheriff Sahib from 9th to date of audit.

The last audit ended on 17th February 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to the end of June 14.

PART I.—ACTION TAKEN ON THE LAST AUDIT.

2. The last audit note and the objection statement remained in the taluk office undisposed of till the date of the completion of the present audit.

3. The short remittances of 8 pies noticed in para 7 (1) and (2) was remitted to Treasury to the credit of Municipal Fund on 10th July 1914.

4. Of the amount of Rs. 200 held by the Vice-President as Municipal Imprest before June 1911, the sum of Rs. 136-7-2 which was refunded in June 1911 and October 1912 was not credited to Permanent advances, nor was the balance of Rs. 63-8-10 ordered to be written off the account adjusted. Necessary, adjustments will have therefore to be made in the accounts of the current year.

PART II.—RESULT OF CURRENT AUDIT.

5. The account of this Municipality for 1913-14 opened with a balance of Rs. 2,316-7-2 and closed with Rs. 4,372-4-4

the receipts and expenditur being Rs. 5,798-6-3 and Rs. 3,742-9-1 respectively.

6. The objections noticed in audit are shown in the accompanying statement of objections and the important points are alluded to here.

7. *Mohatarfa Accounts.*—Shanbhogs Khate showed the following demand, collection and balances :—

		Rs.	a.	p.
(i) Arrear on 1st July 1913 was	...	2,692	8	11
(ii) Demand for 1913-14	...	2,702	14	11
Total	...	5,395	7	10
(iii) Collection for 1913-14	...	3,425	12	1
(iv) Closing balance or arrear due on 30th June 1914	...	1,969	11	9
This arrear of Rs. 1,969-11-9 is made up of—				
(i) Arrear on account of purely mohatarfa, *viz.* house, shop, oil mill, and cart amounting ...		1,547	9	3
(ii) Amount outstanding against certin people of Dodballapur who were given advances to build houses which were lost in rain *vide* separate statement of arrear attached.	..	422	2	6
Total	...	1,969	11	9

There was a short remittance of annas 8 observed, due to error in totalling of the Khirdi amounts collected on 3rd April 1914. This was recovered and remitted to Treasury to the credit of Municipal Fund on 19th April 1915 to C. No. 250 of Taluk Treasury account.

The total number of defaulters as per Bakipatti was 647 but the number of notices issued during 1913-14 was only 334.

The amount of collection made from 1st July 1914 to the end of March 1915 towards the arrear was Rs. 605-11-4 from about 328 Khatedars, leaving a balance of Rs. 1,364-0-5 yet to be recovered.

Advance recoverable.—In the previous audit note it was noticed that a sum of Rs. 432-8-6 was the amount remaining unrecovered till the end of January 1914 on account of advances made to people of Dodballapur to build houses. Only Rs. 10-6-0 has been recovered subsequently leaving yet Rs. 422-2-6 to be recovered (*vide* statement attached) from 13 persons.

The full amount of advance paid to each of two persons Kande Gowda Rs. 100-0-0 and Aluhalli Krishna Rao Rs. 60-0-0 is unrecovered, Prompt action in this direction seems necessary.

Deposit Account and the Public Debt Balances.—The Municipal Deposit account previous to 1913-14 was not produced. The receipts and repayments of deposits during 1913-14 were Rs. 382-2-8 and Rs. 136-12-8, leaving Rs. 245-6-0 outstanding on 30th June 1914, *vide* item No. 6 of the objection statement.

Public debt balance at end of 1912-13 was, as per account, minus Rs. 791-7-2. This was accounted for partly thus.

Rs.	a.	p.	
200	0	0	was on account of permanent advance. Though this amount was partly refunded and partly ordered to be written off the account needful adjustment was not done in the account *vide* item No. 7 of the objection statement.
509	0	6	was the balance of amounts advanced to the people of Dodballapur and remaining unrecovered till the end of 1912-13 *vide* statement attached.
709	0	6.	

The difference of Rs. 82-6-8 is yet to be accounted for.

B. SREENIVASA IYENGAR,

Asst. Comptr., and Officer in charge of the Local Audit Department.

GPB—12—28-6-15

Note on the audit of the Accounts of the Municipality of Tyamagondlu, Bangalore District, for 1913-14.

Name of Senior Auditor.—Mr.C. Kesavachar.

Name of Assistant Auditor.—Mr. K. V. Naranaiengar.

Date of Commencement of Audit.—14th April 1915.

Date of Completion of Audit.—15th April 1915.

Period occupied (excepting holidays). 2 days in current audit against last audit 3 days.

Names of President and Vice-President who held office during the period of audit.—

Period.—During 1913-14.

Name of President.—Mr. K. Chandy.

Name of Vice-President.—Mr. Suryanarayana Sastri.

The last audit ended on 8th February 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—The imprest held by the Vice-President *viz.*, Rs. 50 was examined on 12th April 1915 in the Nelamangala Taluk Treasury.

PART I.—Action taken on the Last Audit.

The audit note on the accounts of 1912-13, dated 21st February 1914, forwarded to the President for needful action and reply had not been returned to Comptroller's Office, but remained undisposed of in the taluk office till the close of audit.

A statement of unanswered objections raised during previous audits is appended to this note.

PART II.—Result of Current Audit.

The accounts of 1913-14 opened with a balance of Rs. 5,045-12-1 and closed with a balance of Rs. 6,352-6-8, the receipts

and expenditure for the year 1913-14 being Rs. 3,263-0-11 and Rs. 1,956-6-4 respectively.

The objections noticed in audit are embodied in the accompanying statement of objections.

Mohatarfa.—Accounts maintained by the shanbhog showed.—

	Rs.	a.	p.
Arrear on 1st July 1913 was ...	174	0	0
Demand for 1913-14 was ...	1,819	2	7
	1,993	2	7
Collections during 1913-14 was ...	1,748	2	7
Arrear which remained uncollected on 30th June 1914 was ...	245	0	0

Towards the arrear of Rs. 245 outstanding on 30th June 1914, a sum of Rs. 48 had been collected till the date of completion of audit *i.e.*, 15th April 1914, and the balance of arrear which remained uncollected related to the years shown below.—

Rs.	a.	p.		
2	0	0	of the year	1906-07
2	8	0	do	07-08
2	8	0	do	08-09
6	8	0	do	09-10
6	8	0	do	10 11
24	12	0	do	11-12
45	0	0	do	12-13
107	4	0	do	13-14
197	0	0		

Octroi.—The duplicates of invoices of piece-goods produced did not bear a certificate of having been compared with the original or that it was a true copy of the original. The Municipal member who supervised the act of stamping the piece-goods did not record in the invoice concerned under his signature as to the value of the piece-goods and the amount of duty levied thereon so that the octroi staff may recover the proper duty on the piece-goods found in the bale or bundle. This may be attended to in future.

Accounts. Receipts.—In the receipt side of the cash account for January 1914, Rs. 158-2-6 was shown as the total receipt under all heads of Municipal Revenue, where as the total amount shown in the Taluk Cash Book was Rs. 158-3-0.

		Rs.	a.	p.
Under Octroi	...	67	5	9
Mohatarfa	...	5	1	3
Miscellaneous	...	85	12	0
Debt Heads	...	0	0	0
		158	3	0

The difference of 6 pies shown less in the cash account should be adjusted in the accounts of the current year, *vide* statement showing the difference between the cash account and the Treasury plus and minus memo in each month of 1913-14 attached to this audit note.

Expenditure.—A statement showing the difference between the figures of the cash account submitted to Comptroller and those arrived at by taking into account only the amounts of establishment bills cashed with the total amount of cheques issued in the same month during 1913-14 is also attached hereto. It is seen that a sum of Rs. 146-8-0 is the total amount of net difference observed between the two accounts for the year 1913-14, and it will have to be adjusted in the accounts of the current year.

B. SREENIVASA IYENGAR,
Assistant Comptroller and Officer in charge of the Local Audit Department.

GPB—12—9-7-15

Note on the Audit of the Accounts of the Municipality of Vadigenahalli for 1913-14.

Name of Senior Auditor.—Mr. C. Kesava Char.

Name of Assistant Auditor.—Mr. K. V. Naraniengar.

Date of commencement of audit.—25th April.

Date of completion of audit.—27th April.

Period occupied.—Three days in current audit against last audit five days.

Names of President and Vice-President who held office during the period of audit :—

Period.—During 1913-14.

Name of President.—Mr. K. Chandy

Name of Vice-President.—Mr. S. Srinivasa Iyengar.

The last audit ended on the 24th February 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to the end of June 1914.

Check of Cash Balance.—The amount of imprest held by the Vice-President for this Municipality is Rs. 50 and the cash on hand when examined on 23rd April 1915 at Devanhalli was Rs. 42-6-9 and a sum of Rs. 7-9-3, paid to patel Venkatagowda on 11th November 1914, as commission and feeding charges had not been recouped.

PART I.—Action taken on the last audit.

3. The audit note with the objection statement on the accounts of the Vadigenahalli Municipality for 1912-13 forwarded with Presidents No. 1566-7, dated 11th April 1914, to the Vice-President remained in the Taluk office unreplied till the date of completion of the current audit.

(1) The short remittances of 5-5-10 under Octroi and Rs. 5-10-0 under Mohatarfa objected to in the audit note of 10-11 and 11-12 accounts were not made good.

(2) The short remittance of 0-0-2 and short recovery of 2 pies and the short recovery of Re. 0-4-0 on a buffalo

Padde observed in the 12-13 accounts were not also rectified.

PART II.—RESULT OF CURRENT AUDIT.

4. The accounts of this Municipality for the year 1913-14 opened with a balance of Rs. 4,164-9-5 and closed with Rs. 4,591-13-11, the receipts and expenditure for the year being Rs. 2,612-1-8 and Rs. 2,184-13-2, respectively.

5. The objections noticed in audit are shown in the accompanying statement of objections and only important points are referred to in this note.

6. *Mohatarfa account.*—

	Rs. a. p.
Arrear due on 1st July 1913 was	220-13-10
Demand for the year 1913-14	1,418-0-0
Total ...	1,638-13-10
Collection in 1913-14 collection as per Khirdi Rs. 1,416-5-10 deduct excess collection Rs. 1-4-0	1,415-1-10
Balance due on 30th June 1914	223-12-0

The above arrear related to the years of—

Rs. a. p.		For the year of—
3 2 5	„	1902—03
5 12 0	„	1903—04
4 12 0	„	1904—05
7 4 11	„	1905—06
3 12 0	„	1906—07
8 8 7	„	1907—08
13 8 0	„	1908—09
8 0 8	„	1909—10
14 15 0	„	1910—11
14 2 9	„	1911—12
26 13 4	„	1912—13
113 0 4	„	1913—14
223 12 0		

The number of defaulters from whom the arrears were due was 97 while the number of notices issued was only 51 as per notice register. A sum of Rs. 72-10-1 was shown to have been collected up to the date of completion of this audit towards the above arrears, leaving Rs. 151-1-11 yet uncollected.

7. *Pound account.*—The receipts given to the parties bringing the cattle into the pound did not appear to have been written up on the very day of admission *vide* item No. 1 in the objection statement. The irregularity should not be allowed to recur.

8. *Deposit account.*—The register maintained did not show the list of Deposit items outstanding at the end of the year 1913-14.

The items of credit shown in the register but not adjusted till the end of 1912-13 were :—

Rs. a. p		
71 0 0	Credited on	28th June 1913
55 0 0	Do	30th July 1912
Total 126 0 0		

Opening balance of Deposit on 30th June 1913 was Rupees	126	0	0
Add receipts during 1913-14	117	3	3
Total ...	243	3	3
Deduct payments during 1913-14	71	0	0
Balance on 30th June 1914 was	172	3	3

But the Public Debt balance as per accounts reviewed by Comptroller was Rs. 181-2-7 on 30th June 1914 of this Rs. 50 is held as permanent advance, and so the total amount of deposits outstanding according to the books of the Comptroller was Rs. 231-2-7. The difference of Rs. 58-15-4 should be reconciled.

9. *Monthly accounts.*—In the monthly cash account submitted to Comptroller the defects noticed were, (1) that the amounts of cheques issued were not taken into the accounts of the month of issue, (2) that the amount of an old cheque which was redated and cashed was again taken into the account when redated, (3) that the amounts of savings shown in the establishment bills was wrongly charged off in the accounts.

A statement marked (A and B) of monthly receipts and expenditure for the year is hereto attached wherein the instances of the above discrepancies and the particular amounts on account of which corrections in the accounts of 14-15 should be made are pointed out.

B. SRINIVASA IYENGAR,
Assistant Comptroller and
Officer in charge of the Local
Audit Department.

GPB—12—8-7-15

Note on the audit of the Accounts of the Anekal Municipality for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K. V. Naranaiengar.

Date of Commencement of Audit.—4th May 1915.

Date of Completion of Audit.—6th May 1915.

Period occupied (excepting holidays): 3 days in current audit against last audit 5 days.

Names of President and Vice-President who held office during the period of audit :—

Period.—During 1913-14.

Name of President.—Mr. K. Chandy, B.A.

Names of Vice-Presidents.—Messrs. P. Gopalaraj Urs, B.A., and N. Gopalakrishna Iyengar, B.A., B.L.

This is the 3rd time that the accounts were audited locally and the last audit ended on 15th March 1914, and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of Rs. 50 being the amount of Municipal imprest held by the Vice-President, Rs. 7-4-0 was the cash on hand when examined on 6th May 1915 the balance of Rs. 42-12-0, being accounted for as noted below :—

Rs. 1-8-0 waspaid in January 1915 as reward for killing snakes.

„ 0-4-0 was paid in February 1915 as reward for killing snakes.

„ 0-8-0 was paid in April 1915 as reward for killing snakes.

„ 40-0-0 irregularly paid on 27th April 1915 for a well work at Garatiganabele, a village improvement work.

PART I.—A[illegible]N ON THE LAST [illegible]

The last audit report, forwarded by the President of Municipalities, Bangalore District, with his No. 17[illegible], dated 9th May 1914, to the Auditor-General was pending disposal in the local office.

A statement of objections raised during previous audits and remaining undisposed of is attached for needful action being taken at an early date.

PART II.—RESULT OF PRESENT AUDIT.

1. The accounts of this Municipality for 1913-14 opened with a balance of Rs. 1,499-15-3 and closed with Rs. 1,500-10-1, the receipts and expenditure of the year being Rs. 3,217-7-5 and Rs. 3,216-12-7 respectively.

2. The irregularities noticed in audit are shown in the accompanying statement of objections and a few points are referred to below.

3. *Mohatarfa.*—The demand, collection and balances of Mohatarfa revenue for the year 1913-14 were asunder:—

	Rs.
Arrears on 1st July 1913 was ...	950-6-1
Demand for the half ...	2,861-0-0
Total ...	3,811-6-1
Collections in 1913-14 ...	2,251-3-9

Arrears on 30th June 1914 was 1,560-2-4, of which only Rs. 107-7-10 was recovered till the date of audit. The number of notices issued was only 28 against 527 defaulters at the end of 1913-14 and no further action was shown to have been taken.

The period to which the arrears related was shown to be as follows:—

Rs.	a.	p.		
1		0	...	of 1903-04
9	4	0	...	„ 04-05
17	8	0	...	„ 05-06
15	0	0	...	„ 06-07
7	8	0	...	„ 07-08
13	2	0	...	„ 08-09
82	6	0	...	„ 09-10
60	12	0	...	„ 10-11
154	6	8	...	„ 11-12
376	1	11	...	„ 12-13
819	7	9	...	„ 13-14
Total ... 1,560	2	4		

4. *Octroi accounts.*—The present procedure of allowing the piece-goods imported into the town to be taken directly to the shops of the [illegible]'s concerned,

and to have them stamped under the supervision of any Municipal member available for the time being is highly objectionable and should be at once stopped.

As in all other Municipaliiets the piece-goods should be first taken to the taluk office or a Municipal chavadi where they should be examined and stamped as per rules and they should on no account be allowed to be removed to the shop of the merchant until the piece-goods are stamped and the duty levied thereon has been recovered.

Remittances of octroi collections to the Treasury are being made monthly instead of the amount being remitted the next day after collections are made. The mutsaddi has not also furnished any security.

5. *General.*—No register of deposit was maintained during 1913-14. *Vide* Rules 365 to 371 of the Municipal Account Manual.

In the accompanying statement marked A the differences observed between the cash account and the District Treasury plus and minus memo of Municipal receipts during 1913-14 are detailed. They should be adjusted in the accounts of the current year.

B. SREENIVASA IYENGAR,

Assistant Comptroller and officer in charge, Local Audit Department.

GPB—15—8-7-15

Note on the Audit of the Accounts of the Hoskote Municipality for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—K. V. Naraniengar.

Date of Commencement of Audit.—28th April 1915.

Date of Completion of Audit.—30th April 1915.

Period occupied.—Three days in current audit against last audit 6 days.

Names of President and Vice-President who held office during the period of audit:—

Period.—During the year 1913-14.

Name of President.—Mr. K. Chandy.

Name of Vice-President.—Mr. T. K. Someswaraiyer.

This is the 3rd time that the accounts were audited locally and the last audit ended on the 3rd of April 1914 and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—The imprest amount held by the Vice-President being Rs. 50 the cash on hand when examined on 30th April 1915 was Rs. 17-8-8, which agreed with the Imprest Cash Book maintained.

The balance of Rs. 32-7-4 which had to be recouped consisted of the items shown below:—

	Rs.	a.	p.		
(i)	1	0	5	paid on	30th March 1908 on account of pound commission and feeding charges from October 1907 to January 1908.
	2	7	9	„	1st Dec. 1908 on account of pound commission and feeding charges for August 190-.
	1	11	9	„	30th July 1910 on account of pound commission and feeding charge s for February 1910.
	2	13	7	„	30th August 1910 on account of pound commission and feeding charges for March and April 1910.

Rs.	a.	p.		
2	3	5	paid on	2nd September 191[illegible] account of pound commission and feeding charges for May 1910
1	6	5	„	22nd October 1910 on account of pound commission and feeding charges for June 1910.
7	0	0	„	24th November 1910 on account of pound commission and feeding charges for July 1910.
0	8	0	„	24th November 1910 on account of pound commission and feeding charges for August 1910.
(ii) 10	0	0	„	18th September 1914 for purchasing glass cases and repairing lanterns in Hoshiarpur Municipality.
(iii) 3	0	0	„	10th November 1[illegible] for Shanbhag's contingent expenses.
(iv) 0	4	0	„	22nd February 1[illegible] on account of reward for killing snake.
32	7	4		

The items marked (i) aggregating Rs. 19-3-4 relating to the year [illegible] of about more than four years [illegible] has yet been recouped. It was stated that the bills for recoupment were submitted to the Presidents with No. 337, dated 28th December 1911 and the last reference made ended with No. 285, dated 19th February 1915. Regarding the other items of (ii) and (iii) bills were said to have been submitted to the President in time but the cheques therefor were not received. The amount paid out of impress should be recouped at the end of each month regularly.

PART I.—Action taken on the last Audit.

A list of the objections noted in previous audits and remaining unsettled is attached for needful action being taken.

The following among others require early rectification.

(1) No action has been taken to adjust the item of Rs. 13-12-[illegible] debited in the Treasury accounts in March and December 1911 to [illegible] Revenue instead of to Municipal Fund as shown in para 3 (4) of the last audit note.

(2) No petty cash book has been opened to record the receipt and disposal of cheques received by the Vice-President. *Vide* Art. 337, M. A. M.

PART II.—Result of Current Audit.

4. The accounts of the Municipality for 1913-14 opened with a balance of Rs. 1,870-8-0 and closed with Rs. 1,983-14-9, the receipts and expenditure during the year being Rs. 2,981-3-8 and Rs. 2,867-12-11.

5. The result of current audit is shown in the accompanying statement of objections and the more important points are referred to here.

6. *Mohatarfa Account.*—This account showed.

	Rs.	a.	p.
1. Arrear as it stood on 1st July 1913 was ...	1,538	13	2
2. Demand for the year 1913-14 ...	1,975	4	8
Add Rs. 3 on account of excess collection which was not included in demand ...	3	0	0
Total ...	3,317	1	10
3. Deduct collection during the year ...	1,871	6	10
4. Arrear due at the end of the year 1913-14 was...	1,445	11	0

The number of defaulters was about 253 and beyond issuing notices no further action appeared to have been taken for the recovery of the arrears.

7. *Octroi Accounts.*—The duplicates of invoices of piece goods produced were defective in that.

(1) They were not generally certified by the merchants producing them, that they were the true copies of the original nor did they bear a note of having been compared with the original.

(2) The invoices were not serially numbered and filed.

(3) The value of the piece goods and the amount of duty payable thereon were not noted at foot of the invoice.

8. *Pound Account.*—(i) Admission receipt numbers were not noted in the pound register.

(ii) Signature of persons releasing the cattle was not regularly obtained.

(iii) Only a mark of illiterate releasers was taken instead of their left thumb impressions.

(iv) Remittances of pound collections were made once a month instead of once a week.

9. *Miscellaneous.*—The dates of birth entered in the service books of the two

Octroi peons, Mahamed Khasim and Thippiah differed from those entered in the schedule of establishment as it stood on 1st July 1913. This needs explanation and rectification.

10. *General remarks.*—The deposit register of 1913-14 did not open with the details of the previous year's outstanding balances. The details of receipts and repayments of 1913-14 given in the deposit register worked up to Rs. 97-7-0 and Rs. 27-3-0, but these credit and repayment items did not pass through the cash book as they ought to have been. *Vide* items No. 12 to 14 in the objection statement. It was also noticed that sale proceeds of Municipal sites and manure collected by the Municipal staff when realised were erroneously taken to Revenue deposit in the first instance prior to confirmation of sale and transferred to Municipal accounts only after confirmation. The cash book was not completely and correctly written. All the amounts that had to be credited to Municipal Fund were not noted in the cash book as noticed above. Amounts of cheques issued were not included in the account of the month of issue. Amounts paid out of imprest were taken into the account before a cheque was obtained therefor. The discrepancies noticed in the accounts of 1913-14 are shown in the statements A and B attached to this note for necessary action. The closing of the cash book was not attended to at the end of each month. Attention is invited to Rules 352 to 355 of the Municipal Account Manual.

The pass book was written by the Local Fund clerk. Attention is invited to Rule 4 of Municipal Account Manual where it is laid down that in no circumstances shall any entry be made in the pass book except by the Treasury clerk. The object of this rule is obvious. The entries in the pass book should serve as a check on those in the Municipal office cash book and monthly account.

(Sd.) B. SRINIVASA IYENGAR,
Asst. Comptroller and Officer in charge of Local Audit Dept.

GPB—12—29-6-15

Note on the Audit of the Accounts of the Nelamangala Municipality for 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K. V. Naraniengar.

Date of commencement of audit.—8th April 1915.

Date of completion of audit.—12th April 1915.

Period occupied (excepting holidays), 4 days in current audit against last audit, 7 days.

Names of President and Vice-President who held office during the period of audit:—

Period.—During the year 1913-14.

Name of President.—Mr. K. Chandy.

Name of Vice-President.—Mr. Suryanarayana Sastri.

The last audit ended on 11th February 1914 and was for the period from 1st July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

Check of Cash Balance.—Out of Rs. 50 41-2-0 was on hand on 12th April 1915 and the balance of Rs. 8-14-0 was accounted for as under:—

	Rs.	a.	p.		
(1)	2	4	8	paid for brooms and baskets on	22nd July 1908
(2)	2	4	8	do	2nd March 1909
(3)	2	4	8	do	8th Sept. 1909
(4)	0	4	0	do as reward for killing cobra	12th Dec. 1913
(5)	0	4	0	do do	22nd Jan. 1914
(6)	0	4	0	do do	6th May 1914
(7)	0	4	0	do do	8th Oct. 1914
(8)	1	0	0	paid for conservancy tools on	22nd Jan 1914

These items are long outstanding and should be adjusted at once.

PART I.—Action taken on the last audit.

(1) The last audit note and the objection statement connected therewith were lying undisposed of in the Taluk Office.

(2) The short remittance of annas 4 referred to in para 7 (2) of the previous audit note was however credited on 5th February 1914.

(3) But the short remittance of Rs. 1-15-10 under octroi referred to in para 7 (1) of the previous audit remained to be recovered.

(4) No action was taken in regard to the adjustment of Rs. 167-12-0 being the net sale proceeds of cattle remitted to Treasury in August 1911 and erroneously credited to District Fund instead of to Municipal Funds.

(5) Several original records connected with the sale, of animals impounded were not produced for audit.

(6) The amounts due from the late Shanbhog Kasipathaiya who defalcated certain Municipal collections were not fully recovered and adjusted. The amount of Rs. 180 recovered in cash and placed in revenue deposit was still unadjusted, nor was the balance recovered from the shanbhog out of the commission due to him on Mohatarfa collections adjusted.

PART II.—Result of current audit.

1. The accounts of 1913-14 opened with a balance of Rs. 4,277-4-3 and closed with a balance of Rs. 5,634-2-6 the receipts and expenditure for the year being Rs. 3,768-4-11 and Rs. 2,411-6-8.

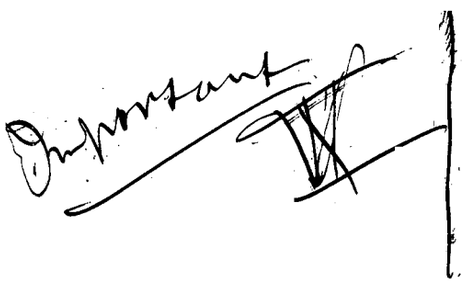
2. The irregularities noticed in the current audit are shown in the accompanying objection statement and the important points are briefly noted hereunder.

3. *Mohatarfa.*—These accounts were as follows:—

	Rs.	a.	p.
(1) Arrear of Mohatarfa due on 1st July 1913 was ...	718	12	6
(2) Demand for 1913-14 ...	1,808	0	0
Total ...	2,526	12	6
(3) Collections during 1913-14 was ...	1,945	15	8
Balance due on 1st July 1914 was ...	580	12	10

The number of defaulters as per Bakipatti produced was 144 and of the notices issued during the year was 139 for Rs. 548-10-6 of which a sum of Rs. 122-9-4 only was collected on account of these arrears still the closing of the current audit. The further action taken in the matter of collection was not pointed out.

A list of arrears outstanding of more than two years furnished by the shanbhog is hereto attached. Vide statement marked A.



Octroi Accounts.—In this Municipality octroi duty is collected on articles other than piece-goods only on shandy days and not on the actual quantity of the goods received into the Municipal limit, but at a fixed rate for from each merchant. Each shop-keeper is required to pay a certain fixed amount varying from one to four annas and three pice on every Wednesday.

A copy of an agreement signed by the merchants of the place bearing no date but stated to have been written about 4 years past was produced in support of the practice and is hereto attached, and according to this agreement the total amount to be collected weekly from 48 merchants is Rs. 8-0-3 and for the year Rs. 416-13-0 whereas the actual collection made during the year 1913-14 was only Rs. 368-6-3. Some of the names shown in the agreement were not traced in the Octroi register of collection and there were also some new names of shop-keepers. The list produced was not therefore up to date.

In the Register of collections the names of merchants from whom the weekly rates were not recovered were not noted nor was any explanation forthcoming as to why recovery was not made from them.

A sum of annas 4 and pice 8 being the sum total of 4 items of short recoveries noticed in audit was remitted to Treasury on 12th April 1915 *vide* items Nos. 12 and 13 of the objection statement.

5. *Deposit Account.*—The Register of Deposits maintained was not correctly written up *vide* items Nos. 19 and 20 of the objection statement. The monthly totals of receipts and payments were not made, nor was the balance struck at the end of each month and a list of outstanding items working up to the balance shown in the accounts of the next month to watch their subsequent disposal. Against a single deposit credit item of Rs. 3-14-0 in July 1913 (*vide* objection item No. 19) two payments were shown, once by transfer credit to Municipal Revenue proper in November 1913 and again in cash in April 1914. The latter payment should not have been charged against deposit, but must be treated as a miscellaneous refund under Municipal Revenue. This excess payment under Deposit should be rectified in the accounts of 1914-15.

6. *Monthly Accounts.*—The following defects were noticed:—

(1) The differences between the total receipts of the month shown in

Treasury account and that of the cash book were not explained at the foot of the Cash Book.

(2) Amounts of cheques were not invariably included in the accounts of the month of issue but sometimes taken into the accounts of the subsequent month and sometimes omitted altogether.

(3) Amounts paid out of imprest were taken into the accounts of the month before obtaining a cheque in recoupment thereof.

The items that are required to be adjusted in the accounts of the year 1914-15 on account of the above differences are shown in the statement of receipts and expenditure attached to the objection statement, item No. 23.

B. SRINIVASA IYENGAR,
Assistant Comptroller
and Officer in charge of the
Local Audit Department.

GIPD—12—3-7-15

Note on the Audit of the Accounts of the Municipality of Closepet of 1913-14.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K.V. Naraniengar.

Date of Commencement of Audit.—22nd May 1915.

Date of Completion of Audit.—26th May 1915.

Period occupied(excepting holidays):—Five days in current audit against last audit 5 days.

Names of President and Vice-President who held office during the period of audit :—

Period.—During 1913-14.

Name of President.—Mr. K. Chandy, B.A.

Name of Vice-President.—Mr. A. Shama Rao.

This is the 3rd time that the accounts were audited locally and the last audit ended on 26th January 1914, and was for the period from 1st July 1912 to 30th June 1913; the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—As noticed in para 8 of the last audit note the amounts spent out of the Municipal imprest according to the imprest account plus the balance on hand continued to be Rs. 50-6-0, *i.e.*, annas ·6 in excess of the sanctioned imprest of Rs. 50 and the excess was not refunded to Treasury. The payments made several years ago out of imprest remained to be recouped.

The Municipal imprest was not kept separately from other imprests held by the Deputy Amildar. The total amount of cash with the Deputy Amildar on 28th May 1915 was found to be Rs. 135-2-3 and as the accounts of all the imprests were stated to have been sent to the Deputy Commissioner's office, the correctness of the imprest balance could not be certified.

PART I.—Action taken on the last Audit.

3. The last audit note and the objection statement were pending disposal in the office of the Sub-Divisional Assistant Commissioner (President).

4. No action was taken in respect of the important suggestions made during last audit in regard to the collection of Octroi revenue nor was the result of the investigation into the case of the alleged misappropriation of Muktarfa collected by Shanbhog Jeevan Rao intimated to the Comptroller (*vide* para 17, 18 and 19 of the last audit note reproduced as Appendix A.)

5. The other objections of previous years outstanding are noted in items Nos. 1 to 10 of the objection statements attached hereto.

PART II.—Result of Current Audit.

6. The accounts of this Municipality for the year 1913-14 opened with a balance of Rs. 1,174-5-10 and closed with Rs. 2,946-11-10 the receipts and expenditure for the year being Rs. 3,957-11-11 and Rs. 2,485-5-11 respectively.

7. The result of the current audit is embodied in items Nos. 11 to 31 of the accompanying objection statement, of which the more important are referred to in this note.

8. *Octroi Accounts.*—(*a*) Counterfoil receipt books relating to Nos. 1112—1271, dated 19th May 1914 to 29th June 1914 were not produced for audit.

(*b*) There was a short recovery of 0-1-0 due to error in calculation. *Vide* item No. 11 of the objection statement and a sum of 0-8-0 was recovered less as no octroi duty was levied on the amount allowed as discount as per details furnished in item No. 12 of the objection statement, so that the total sum of Re. 0-9-0 is to be recovered.

9. The defects noticed in the duplicate invoices of cloth were:—

(i) They were not filed in the order of dates.

(ii) None of the invoices was certified to by the merchants to the effect that they were the true copies of the originals, nor was any note made on the duplicates of their having been compared with the original at the time of stamping *vide* item No. 13 of the objection statement.

10. *Mohatarfa Accounts.*—The demand, collection and balances of Mohatarfa Revenue for the year 1913-14, were :—

		Rs.	a.	p.
i	Arrear on 1-7-13 was ...	1,308	14	8
ii	Demand for 1913-14 ...	2,450	8	0
	Total including arrears ...	3,759	6	8
iii	Collection in 1913-14 ...	2,171	9	9
	Arrears at the end of 1913-14 ...	1,587	12	11

11. The mohatarfa accounts exhibited an unsatisfactory situation. The collections during the past two or three years have been very slack. *There was no increase or decrease of assessment during 1913-14* also and the demand for the year was the same as that of 1912-13. It was observed last year that no attempt was made to see whether the house and other taxes were or were not capable of revision and that the demand of the previous year 1911-12 was simply taken without any change for the next year.

A systematic and thorough revision of taxes should be conducted at a very early date, for every year's delay means an appreciable loss of revenue to the Municipality.

12. The arrears at the end of 1913-14 were in excess of what they were at the end of 1912-13, by Rs. 278-14-3. The years to which the arrears relate commence from 1901-02, as shown below :—

Rs.	a.	p.		
2	0	0	is outstanding from	1901-02
4	0	0	do	1902-03
1	8	0	do	1903-04
1	8	0	do	1904-05
8	5	7	do	1905-06
20	7	5	do	1906-07
9	15	0	do	1907-08
45	8	1	do	1908-09
35	14	0	do	1909-10
55	7	4	do	1910-11
110	4	11	do	1911-12
319	1	11	do	1912-13
973	12	8	do	1913-14

The steps taken for the prompt recovery of arrears were not pointed out.

13. *Pound Accounts.*—The defects noticed in these accounts were :—

1. Two items of short remittances at annas 2 each were noticed for recovery and credit to Municipal Fund.

2. The disposal of a buffalo shown against ledger No. 345, dated 8th April 1914 was not pointed out—*vide* item No. 16 of the objection statement.

3. Remittances of pound collections were made once a month instead of once a fortnight as per Rule 228 of the Municipal Account Manual.

14. *General Remarks.*—It is a very serious defect that the cash book, the monthly accounts, the deposit registers, the acquittance roll and the D. C. B. Statements for 1913-14, which were all stated to have been maintained, were not produced for check. The Local Fund clerk who was in charge at the time of audit was new to the work and the Municipal accounts of 1913-14 were stated to have been mixed up with other records of the Taluk, which apparently were not kept in order. As notice of the audit was given in time it was not clear why the records were not properly arranged and kept ready. The difference between the sum total of the monthly collections of the three remittance registers (Octroi, mohatarfa and pound) and the monthly credit shown in the cash accounts could not be traced for want of a cash book or any other account showing daily transactions and the audit was not thus complete and effective.

A statement showing the differences and discrepancies noticed under receipts and expenditure in the several monthly accounts of 1913-14 is given in items Nos. 22 and 23 of objection statement.

B. SRINIVASIENGAR,

Assistant Controller and
Officer in charge of
Local Fund Department.

APPENDIX A.

Para 17 of the audit note of the accounts of the Closepet Municipality for 1912-13.

A very serious irregularity was noticed in the mohatarfa accounts maintained by the shanbhog Jeevan Rao. The demand recorded in the khate for 1911-12 and 1912-13, No. 321 Narasimaiya *bin* Venkataiya Pulan was Rs. 28. But on a reference to the acknowledgment given by the shanbhog Jeevan Rao to the party for the payment of the tax which was voluntarily produced by the latter, it was found that the demand against him was shown as Rs. 30 and that the same was recovered from him. The party represented to the undersigned Mr. B. Sreenivasa Iyengar, Assistant Comptroller, in the presence of the Deputy Amildar and the shanbhog that the sum of Rs. 30 plus 8 annas, on account of a vacant land tax was being recovered year after year and that it was only after repeated demands, he was able to procure written acknowledgments for the amounts paid by him for the years Virodhikrutu and Paridhavi in respect of both of which Rs. 2 recovered from him (on account of shop tax on Marigudi angadi at Rs. 4 instead of Rs. 2) has apparently been misappropriated by the shanbhog. The matter requires detailed departmental investigation.

2. Para 18 of the audit note of the accounts of the Closepet Municipality for 1912-13.

Since the Municipality was brought under the Municipal Regulation there has been no audit of the accounts by Municipal Agency *Vide* Rule 362 of the Municipal Account Manual. A resolution was however passed on 26th December 1913 appointing the Sub-Registrar as auditor for the quarter January to March 1914.

3. Para 19 of the audit note of the accounts of the Closepet Municipality for 1912-13.

The system of collection of Octroi seems to be very defective. Closepet is a place of some importance containing..... population. The revenue from octroi seems to be comparatively small. There are no Ookads to guard against smuggling of goods. For collection of octroi three persons are responsible, *viz.*, the conservancy duffedar, the shanbhog and an octroi

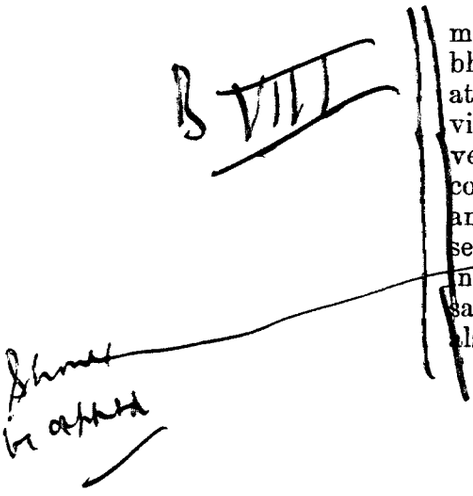
peon and commission on the collection made is paid at 12 ., and distributed as follows :—

Rs. 5-0-0 to a peon (lumpsum)

„ 5½% to Shanbhog who collects the duty and grants the receipts.

„ 2% to Municipal Daroga for supervision against smuggling of dutiable goods, etc.

This is not a very satisfactory arrangement. Both the dufedar and the shanbhog have multifarious other works to attend to and cannot devote their undivided attention to Octroi collection. It is very necessary that a whole time staff consisting of a mutsaddi on Rs. 8 at least and a peon on Rs. 6 seems necessary to secure to the Municipality an adequate income under this head. To this Mutsaddi the charge of the cattle pound may also be given.



B. SRINIVASIENGAR,

Assistant Comptroller, and Officer in charge of Local Audit Department.

W.D. 148—GPB—12—2-3-15

Note on the Audit of the Municipal Accounts maintained in the office of the Sub-Division Officer, Dodballapur, as President of Municipalities of Dodballapur, Anekal and Devanhalli.

Name of Senior Auditor.—Mr. C. Kesavachar.

Name of Assistant Auditor.—Mr. K. V. Naraniengar.

Date of commencement of audit.—23rd March 1915.

Date of completion of audit.—27th March 1915.

Period occupied (excepting holidays).—Five days in current audit.

Names of President and Vice-President who held office during the period of audit:—

Period.	*Name of President.*
During the year 1913-14	Mr. C. S. Kuppuswamiyengar

The audit of accounts maintained in this office has been conducted for the first time this year and it is for the period from 23rd December 1913 to the end of June 1914.

The result of audit is embodied in the accompanying objection statement and only important points noticed are shown in the following paragraphs. The registers and accounts produced for audit were:—

1. A register showing the amounts spent against several budget heads of contingent charges.

2. A register of Public Works showing number, description of works and the amount of estimates of works sanctioned.

3. A list of cheques issued and vouchers charged for in the accounts.

The registers maintained are not in the forms prescribed in the Municipal account manual. *Vide* rules 254, 255, 285, and 315 of the manual and the forms referred to therein.

The list of cheques issued and of vouchers charged for was not written up simultaneously with the drawing of cheques. It was not signed by the President and the unsigned cheques at the end of each month were not ascertained and noted at foot of the list.

Many vouchers and payees' receipts were not produced for audit. A list of these wanting vouchers and payees' receipts is appended. *Vide* statement marked A.

Instances in which sanctioned estimates, measurement books, original bills and completion certificates were not produced are noted in items No. 4 and 6 to 15 of the objection statement. Payees' receipts signed by L. F. clerk was attached in some cases (*vide* item 6, 13 and 15) of the objection statement. The payees' receipts should be signed by the persons to whom the amounts were paid for the supply of articles or for services rendered and not by a municipal servant. And in the case of money paid on a V. P. P. the postal cover itself should be attached in support of charge in the list of payments. Rs. 10 paid for a rubber stamp used in the President's office was charged against the Municipality of Dadhalapur, instead of distributing it to the three municipalities of Dodaballapur, Anekal and Devanhalli.

Amounts paid out of imprests were not being recouped at the end of each month *vide* items No. 6, 4 and 8 of the objection statement.

Whether the amount passed for payment on a bill was payable by a cheque, or by cash from imprest held by the Vice-President concerned was not specified.

This should be invariably done.

B. SREENIVASA IYENGAR,
Asst. Comptroller Officer in charge,
Local Audit Department.

A.

Statement showing the want of payees' receipts and vouchers with or without payees' receipts.

No. of item in the objection statement	Voucher No.	Date	Want of bills and payees' receipts	Want of bills only	Want of payees' receipts only
			Rs. a. p.		Rs. a. p.
	4	December 1913.	3 10 0	...	...
	5	,,	2 0 9	...	...
	6	,,	2 9 7	...	...
	7	,,	2 6 9	...	...
	8	,,	6 5 1	...	...
	9	,,	8 10 2	...	...
	10	,,	7 14 0	...	...
	22	February 1914.	59 0 0	...	...
	38	June 1914.	35 7 3	...	...
	39	,,	39 0 0	...	...
	40	,,	42 8 9	...	...
	53	,,	165 0 0	...	...
	54	,,	30 0 0	...	...
	55	,,	10 0 0	...	...
	56	,,	10 0 0	...	...
	57	,,	253 0 0	...	...
	58	,,	36 0 0	...	...
	59 and 60	,,	124 6 4	...	...
	61	,,	20 0 0	...	...
	62 to 64	,,	551 0 0	...	...
	69	,,	64 0 0	...	...
	70	,,	51 0 0 10 9 6	...	...
	72	,,	9 0 0	...	...
5	29	,,	...	...	10 0 0
9	41	April 1914	...	...	8 14 5
12	65	June 1914	...	...	222 10 6
10	42	,,	...	...	15 1 10
13	66	,,	...	...	28 5 8
11	43	,,	...	...	78 0 0
14	67	,,	...	...	2 14 11
15	68	,,	...	...	48 9 6
		Total ...	1,543 8 2		414 8 10
			1,958 1 0		

GPB—15—10-5-15.

Note on the Audit of the Accounts of the District Fund of the President's Office, Bangalore District.

Name of Senior Auditor.—Mr. C. Keshavachar.

Nameof Assistant Auditor.—Mr. K. V. Naraniengar.

Date of Commencement of Audit.—21st January 1915.

Date of Completion of Audit.—20th February 1915.

Period occupied (excepting holidays) is 26 days in current audit, against last audit 22 days.

Name of President who held office during the period of audit.

During the year 1913-14.—Mr. K. Chandy, B.A.

This is the third local audit of the District Fund accounts maintained in the President's Office.

The last audit ended on 17th of November 1913 and was for the period from July 1912 to 30th June 1913, the present audit is for the period from 1st July 1913 to 30th June 1914.

2. *Check of Cash Balance.*—The imprest held by the President to meet contingent expenses of his office is Rs. 10, and the cash on hand was Rs. 8-2-0 on 20th February 1915, which agreed with the imprest account maintained.

PART I.—Action taken on the last Audit.

3. The last audit note and the objection statement forwarded to the President with Comptroller's No. 6592—L.A.D. 873, dated 16th April 1914, was returned with the President's No. 2024, dated 15th October 1914, with replies noted on the objection statements.

Against the important irregularities referred to in the audit note no remark or replies of the President regarding the action taken for the removal of the objections were noted.

A list of the items which remained outstanding at the close of the current audit for want of complete information or in respect of which immediate action is necessary, is prepared and attached hereto.

It is hoped that early attention will be given to dispose of all the outstanding items of objections.

It will be seen from a reference to this list,

II 1 (1) that many vouchers and payees' receipts have been still wanting;

(2) that the sum of Rs. 30 overpaid as acting allowance to local fund clerk Venkatasubbaiya, Kankanhalli Taluk, has not yet been recovered;

(3) that the sum of Rs. 46-6-5 paid in excess of the sanctioned rate for blasting work in connection with sinking a well at Chikgangavadi, Closepet Sub-Taluk, has not yet been recovered;

(4) that sanction of Government for the appointment of Assistant Sanitary Inspector with pay of Rs. 20 and horse allowance of Rs. 10 at Nelamangala has not been obtained;

III (5) that Rs. 2 being the excess drawn on account of increment for May 1912 of G. Munivenkatappa Naik, Sanitary Inspector, Hoskote Taluk, having been drawn twice has not been recovered;

(6) that Re. 0-6-2 being the joining time allowance of Srinivasiengar, Hesserghatta Conservancy Overseer, for the 6th July 1911, on his retransfer from the Census Department, has not been recovered;

PART II.—Result of Current Audit.

4. The accounts of this District Board opened with a balance of Rs. 48,173-10-1 and closed with Rs. 55,219-2-1, the receipts and expenditure during the year being Rs. 96,127-11-4 and Rs. 89,082-3-4, respectively.

Vide Statement I, II and III.

5. The books and accounts examined were the same as those of last year, excepting

IV (1) that challans received from the taluks were not produced for audit with the credit items in the cash book;

(2) that the monthly statements of demand, collection and balances of taluk Boards were not also produced for check with the demand, collection and balances

statement maintained in the President's Office, which showed the following figures under mohatarfa:—

	Rs.	a.	p.
Opening balance on 1st July 1913 ...	11,081	2	3
Demand during 1913-14 ...	11,660	9	6
Total ...	22,741	11	9
Collections during 1913-14 ...	10,485	2	4
Closing balance	12,256	9	5

The demand collection and balance accounts for November 1913 and March 1914 showed a collection of Rs. 34-8-0 and Rs. 1,741-5-2, whereas Rs. 35-4-0 and Rs. 1,742-0-2 were shown in the classified abstract of those months. It was explained that the difference, *viz*, 0-12-0 and 0-11-0 was due to the house tax of Sulibele Union credited on 29th November 1913 and 31st March 1914, being Rs. 1-12-0 and 149-15-0 were wrongly taken into the demond, collection and balance account as Re. 1-0-0 and Rs. 149-4-0 respectively.

6. *Pass Book.*—The closing balance at the end of each month was not worked up and noted in the pass book above the signature of the Treasury Officer, as required by Comptroller's Circular, No. 4853—L. A. D. 604, dated 31st January 1914. As the President should reconcile the cash book balances with those of the pass book every month, the Treasury Officer may be requested to note in the pass book the opening and closing balances as per his accounts under District Fund and then incorporate the corrections therein as intimated by the Comptroller from time to time.

7. The results of audit on the examinations of the vouchers and other accounts are noted in the accompanying objection statement and only important irregularities are referred to in the following paragraphs.

8. A large number of bills and payees' receipts which were not produced during audit are shown in items Nos. 2 to 16, 20 and 21 of the objection statement attached hereto, and it is requested that immediate action will be taken to produce them for audit.

Want of payees' receipt should not be considered as a mere formal objection. In the absence of payees' receipts there is no knowing whether the amounts drawn from the Treasury are properly disposed of or are kept out of account and misappropriated.

The works for which measurement books, sanctioned estimates and completion certificates were not available during audit are also shown in the objection statement, *vide* items Nos. 42 to 44.

9. One reason for a large number of vouchers and payees' receipts being wanting is the unsystematic method of obtaining them from the taluks along with the connected records.

To ensure prompt receipt of the vouchers and payees' receipts the following procedure should be adopted :—

(1) After a bill is passed and paid, it should be separated from the records and kept in the President's office in support of the charge in the list of payments in the same way as in the Government Treasury.

(2) The Vice-Presidents (Amildars) should be asked to maintain a petty cash book (L. F. Form 10) in which they should note the number and date of all cheques received by them, and their encashment in the treasury or delivery to the proper parties after obtaining the necessary payees' receipts.

(3) All moneys recieved by them whether by encashment of cheques or otherwise should also be recorded in the petty cash book and their disposal shown in it.

(4) An extract of this petty cash book with all vouchers and payees' receipts obtained (except in respect of disbursement of salary, recoupment of imprest) should be sent monthly to the President who will thus know whether the cheques sent by him have or have not been delivered to the proper parties, and why payees' receipts are wanting in any case, and the balance of cheques and cash remaining undisposed of in the hands of the Vice-President.

10. The procedure now adopted in regard to payment of bills for commission and feeding charges payable to pound-keepers long after the due date without any safeguards against claims once preferred not being presented again should be rectified at once. The fact of having admitted such claims should be noted against the credit entry concerned in the cash book to prevent the same claim being admitted a second time. Whenever there is delay in preferring the claim a certificate to say that the claim was not included and passed on any bill previously passed may be caused to be recorded on the bill. A register to show these and similar other

contingent charges admitted and paid for is necessary to be maintained both in the District and Taluk offices. The Treasury certificate of credit recorded on the bills was at times for the total receipts credited to District Fund during the month instead of for the amount on account of which commission and feeding charges were claimed. And again on some other bills the Treasury Officer's certificate was not at all obtained. Instead of the Treasury Officer's certificate the certificate of the Amildar-Vice-President should be invariably obtained to the following effect 'Certified that the amount of receipts herein mentioned have been duly credited to District Funds and that the fact of the claim for commission having been preferred has been noted against the corresponding credit in the cash book maintained in the taluk office.'

11. In the case of transfers of certain Sanitary Inspectors the period of joining time utilised by each was not ascertained, and recorded on the bills. *Vide* item No. 28 of the objection statement. As the permanent monthly allowance drawn by the officials should not be allowed for the period of joining time, the amount paid to them in excess should be ascertained and recovered from them.

12. In connection with the undermentioned payments, sanction of Government was not obtained :—

(i) Rs. 280 paid for purchasing medals in connection with Ghate Subramanyaswami Jatra during 1913-14. *Vide* Rule 136 (2) of the old rules, corresponding to Rule 155 (2) of the revised rules of Local Boards Regulation.

(ii) For recurring charge of annas 8 each month paid to the scavenger of the musafarkhana establishment, Doddaballapur Taluk Board, for October, November, December 1913 and January 1914. (*Vide* voucher No. 61 for May 1914.)

13. *Cancelled Cheque not produced during Audit.*—Cheque No. 104 for Rs. 88-13-1 was issued on 20th October 1913 in lieu of cheque No. 294 of 30th June 1912. The old cheque might have been redated and cashed. The cancelled cheque in any case should have been obtained back and produced for audit and destruction. *Vide* item No. 39 of the objection statement and Rules 113 and 114 of Local Board Rules.

14. The differences noticed between the cash and pass books were not adjusted

till the end of June 1914 and early steps should be taken to adjust the same—

	Rs.	a.	p.	
(i)	1	1	0	Sale proceeds of grass in Bidadi travellers' bungalow not credited to District Fund in the pass book for October 1913.
(ii)	0	12	0	Debited in the Treasury pass book as per No. 435—L. A. D., dated 15th December 1913, from the Comptroller and not brought to the District Fund account of the President's Office.
(iii)	6	0	0	Oil mill tax recovered in Devanhalli wrongly shown in the pass book under District Fund in November 1913.
(iv)	25	0	0	Contributions received from the residents of Kadabagi, Kankanahalli Taluk, omitted in the pass book in December 1913.
(v)	200	4	8	House tax of Gudemaranhalli in Magadi Taluk.
	160	12	8	House tax of Tavarekere.
	31	8	0	House tax of Mylasandra.
Total ...	392	9	4	Credited in February 1914 was not shown in the pass book.
(vi)	1	10	0	Third class travellers' bungalow fee of Arebail.
	140	14	7	House tax of Gudemaranhalli.
	0	12	0	Magadi travellers' bungalow fee.
	54	4	0	House tax of Tavarekere.
	12	0	0	House tax of Mylasandra.
Total ...	209	8	7	Credited in March 1914 was not shown in the pass book.
(vii)	71	8	4	House tax of Gudemaranhalli.
	35	6	5	House tax of Tavarekere.
	13	8	0	House tax of Mylasandra.
Total ...	120	6	7	Credited in April 1914 was not shown in the pass book.
(viii)	2	0	0	Travellers' bungalow fee of Magadi.
	102	10	0	Gudemaranhalli house tax.
	119	14	8	Tavarekere house tax.
Total ...	224	8	8	Credited in May 1914 was not shown in the pass book.

15. *P. W. bills.*—The defects noticed in the course of checking P. W. bills are shown in items Nos. 41 to 46 of the objection statement. Overpayments of Rs. 13-3-6 and Rs. 11-12-5 made in the two following cases should be recovered from the parties concerned and credited to District Fund. Vide items Nos. 45 and 46 of the statement.

(1) Bill for sinking a well at Bettakote for Rs. 20 (Vr. No. 57 of February 1914). Against the total amount of work done, *viz.*, Rs. 513-0-6, a sum of Rs. 3-0-6 was disallowed as being excess over the estimate and the amount due to contractors was Rs. 510, of which Rs. 490 had been paid. The balance due was Rs. 20. But in making this payment a sum of Rs. 13-3-6 which had been advanced to the contractor on.....was not taken to account; hence the excess payment.

(2) Bill for sinking a well at Harobele, Kankanhalli Taluk, voucher No. 51 for May 1914 for Rs. 287-9-4. The rate given in the estimate for excavating hard rock below 20 ft. is Rs. 3 per cubic yard but that claimed and passed was at Rs. 3-8-0. Payment of excess of annas 8 for 23½., *viz.*, Rs. 11-12-5 requires to be recovered. As the amount of the revised estimate was

Rs. 720 sanction of Government should also have been obtained before executing the work.

16. *Contributions to be recovered on behalf of District Funds.*—

(i) Amount of contribution yet to be recovered from Municipal Fund was Rs. 411-0-5 as shown below :—

	Rs.	a.	p.
½ of frontier Sanitary Inspector's salary ...	434	14	0
½ of interior do do ...	1,274	7	7
On account of Deputy Commissioner's Office, Taluk offices	1,294	10	10
½ of Vadigenahalli Vaidyasala establishment ...	168	0	0
On account of watcher Ramanna's pond, Dodballapur	30	0	0
Total ...	3,202	0	5
Deduct amount recovered during 1913-14 ...	2,791	0	0
Amount yet due ...	411	0	5

It is stated that contributions from Closepet and Channapatna Municipalities have not been recovered.

(ii) Rs. 230 was spent in purchasing medals for the cattle show of Ghati Subramanyaswami (as per Vr. No. 63 of 26th March 1914). A moiety of this has to be recovered from Muzrai Fund as per Government Order No. 7007-24—L.B. 189-09-3, dated 22nd February 1911. The action taken towards the recovery of half the cost was not pointed out.

17. *Deposit Account.*—The register maintained on this account in the President's office showed :—

	Rs.	a.	p.
Opening balance on 30th June 1913 was ...	443	6	6
This amount was the balance of deposit items received during the year 1912-13 only, as to what amount was outstanding on account of deposit of previous years no details were available in the President's Office.			
Receipts during 1913 14	1,211	12	11
Total ...	1,655	3	5
Repayments during 1913-14	1,361	0	8
Balance on 30th June 1914 was ...	294	2	9

A sum of Rs. 1,211-2-11 was the total deposit credited in the classified abstract. The difference of Re. 0-10-0 between the classified abstract and the Deposit Register was due to Rs. 29-14-6 being the sale proceeds of stray cattle in the Dodballapur Taluk realised on 28th August 1913 having been wrongly taken to deposit account as Rs. 29-4-6 and ten annas credited to sale of manure. The discrepancy may be adjusted in the accounts of the current year.

18. *Advances.*—A sum of Rs. 405 has been debited in the accounts of 1913-14 under advances as shown below :—

Rs.	a.	p.	
330	0	0	paid as imprest to the several Taluk Boards in August 1913.
15	0	0	adjusted by transfer entry in the Comptroller's Office accounts for February 1914 as communicated in No. 37—L.A.D. of February 1914. (Amount advanced to Anant Krishnaiyar, L. F. Clerk, Channapatna in October 1912 was recovered in November and December 1912 and January 1913. But the debit was erroneously shown under service head instead of to advances recoverable. Hence this adjustment.
405	0	0	

19. *Stationery Account*:—In this account the quantity issued to each official was not noted and monthly totals worked out in the issue book under the several columns of the articles issued.

No stock book showing the receipts, expenditure and balances was maintained *vide* paras 31 and 32 of G. O. No. G. 5203–51—L.A. 4–14, dated 23rd November 1914, in *re* Rules of Office Procedure to be brought into force from 1st January 1915.

20. The amount of uncashed cheques on 30th June 1914 was verified as shown in statement No. IV.—

	Rs.	a.	p.
Uncashed cheques on 1st July 1913 as per credit note of 1912-13 ... —	1,931	8	1
Add cheques issued during 1913-14	33,837	4	11
Total	35,768	13	0
Deduct cheques cashed during 1913-14	31,602	12	1
Balance of uncashed cheques on 30th June 1914	4,166	0	11

B. SREENIVASA IYENGAR,

Assistant Comptroller, and
Officer in charge of L. A. D.

GPD—12-3-7-15